

# Matthews Asia Funds | Annual Report

December 31, 2023 | [matthewsasia.com](http://matthewsasia.com)

## GLOBAL EMERGING MARKETS STRATEGIES

Matthews Emerging Markets Equity Fund  
Matthews Emerging Markets Sustainable Future Fund  
Matthews Emerging Markets Small Companies Fund

## ASIA GROWTH STRATEGIES

Matthews Asia Growth Fund  
Matthews Pacific Tiger Fund  
Matthews Asia Innovators Fund  
Matthews China Fund  
Matthews China Small Companies Fund  
Matthews India Fund  
Matthews Japan Fund

## ASIA GROWTH AND INCOME STRATEGIES

Matthews Asian Growth and Income Fund  
Matthews Asia Dividend Fund  
Matthews China Dividend Fund



Matthews Asia

# Investor Class Performance and Expense Ratios (December 31, 2023) (unaudited)

Investor Class	Average Annual Total Return†				Since Inception Date	2023 Annual Operating Expense Ratios* after Fee Waiver and Expense Reimbursement**	2023 Annual Operating Expense Ratios after Fee Waiver and Expense Reimbursement**	Prospectus Expense Ratios††	Prospectus Expense Ratios after Fee Waiver and Expense Reimbursement††
	1 year	5 years	10 years	Inception					
<b>GLOBAL EMERGING MARKETS STRATEGIES</b>									
Emerging Markets Equity Fund (MEGMX)	8.43%	n.a.	n.a.	9.04%	4/30/20	1.70%	1.12%	1.58%	1.08% <sup>1</sup>
Emerging Markets Sustainable Future Fund (MASGX)	7.83%	10.66%	n.a.	7.23%	4/30/15	1.23%	1.23%	1.24%	1.24%
Emerging Markets Small Companies Fund (MSMLX)	19.88%	15.48%	8.13%	11.16%	9/15/08	1.49%	1.34%	1.49%	1.37% <sup>1</sup>
<b>ASIA GROWTH STRATEGIES</b>									
Asia Growth Fund (MPACX)	3.53%	1.82%	2.72%	6.59%	10/31/03	1.13%	1.13%	1.13%	1.13%
Pacific Tiger Fund (MAPTX)	-4.87%	0.56%	3.49%	7.01%	9/12/94	1.12%	1.12%	1.10%	1.09% <sup>2</sup>
Asia Innovators Fund (MATFX)	-1.77%	9.21%	7.20%	4.20%	12/27/99	1.15%	1.15%	1.18%	1.18%
China Fund (MCHFX)	-19.22%	0.62%	1.83%	7.22%	2/19/98	1.15%	1.15%	1.12%	1.12%
China Small Companies Fund (MCSMX)	-17.51%	6.21%	5.34%	4.25%	5/31/11	1.55%	1.41%	1.55%	1.41% <sup>1</sup>
India Fund (MINDX)	23.10%	8.62%	11.65%	10.28%	10/31/05	1.14%	1.14%	1.15%	1.15%
Japan Fund (MJFOX)	17.99%	6.45%	5.55%	5.54%	12/31/98	1.09%	1.09%	1.05%	1.05%
<b>ASIA GROWTH AND INCOME STRATEGIES</b>									
Asian Growth and Income Fund (MACSX)	3.33%	2.78%	1.81%	7.61%	9/12/94	1.15%	1.15%	1.13%	1.13%
Asia Dividend Fund (MAPIX)	4.69%	0.89%	2.85%	6.09%	10/31/06	1.10%	1.10%	1.10%	1.10%
China Dividend Fund (MCDFX)	-20.67%	-1.25%	3.12%	5.42%	11/30/09	1.17%	1.17%	1.20%	1.20%

† Annualized performance for periods of at least one year, otherwise cumulative.

\* Before fee waivers and expense reimbursement.

\*\* Expense ratio represents the actual expense ratio a shareholder would have paid if they had been invested the entire year.

†† These figures are from the Funds' prospectus dated as of April 28, 2023, and may differ from the actual expense ratios for fiscal year 2023, as shown in the financial highlights section of this report.

1 Matthews has contractually agreed (i) to waive fees and reimburse expenses to the extent needed to limit Total Annual Fund Operating Expenses (excluding Rule 12b-1 fees, taxes, interest, brokerage commissions, short sale dividend expenses, expenses incurred in connection with any merger or reorganization or extraordinary expenses such as litigation) of the Institutional Class to 1.20% (except for the Matthews Emerging Markets Equity Fund, Matthews Emerging Markets Sustainable Future Fund and the Matthews Emerging Markets Small Companies Fund, which have expense limitations of 0.90%, 1.15% and 1.15%, respectively, for the Institutional Class) first by waiving class specific expenses (i.e., shareholder service fees specific to a particular class) of the Institutional Class and then, to the extent necessary, by waiving non-class specific expenses (e.g., custody fees) of the Institutional Class, and (ii) if any Fund-wide expenses (i.e., expenses that apply to both the Institutional Class and the Investor Class) are waived for the Institutional Class to maintain the 1.20% expense limitation (or 0.90% for the Matthews Emerging Markets Equity Fund, or 1.15% for the Matthews Emerging Markets Sustainable Future Fund and the Matthews Emerging Markets Small Companies Fund), to waive an equal amount (in annual percentage terms) of those same expenses for the Investor Class. The Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursement for the Investor Class may vary from year to year and will in some years exceed 1.20% (or 0.90% for the Matthews Emerging Markets Equity Fund, or 1.15% for the Matthews Emerging Markets Sustainable Future Fund and the Matthews Emerging Markets Small Companies Fund). If the operating expenses fall below the expense limitation within three years after Matthews has made a waiver or reimbursement, the Fund may reimburse Matthews up to an amount that does not cause the expenses for that year to exceed the lesser of (i) the expense limitation applicable at the time of that fee waiver and/or expense reimbursement or (ii) the expense limitation in effect at the time of recoupment. This agreement will remain in place until April 30, 2025 and may be terminated at any time by the Board of Trustees on behalf of the Fund on 60 days' written notice to Matthews. Matthews may decline to renew this agreement by written notice to the Trust at least 30 days before its annual expiration date.

2 Matthews has contractually agreed to waive a portion of its advisory fee and administrative and shareholder services fee if the Fund's average daily net assets are over \$3 billion, as follows: for every \$2.5 billion average daily net assets of the Fund that are over \$3 billion, the advisory fee rate and the administrative and shareholder services fee rate for the Fund with respect to such excess average daily net assets will be each reduced by 0.01%, in each case without reducing such fee rate below 0.00%. Any amount waived by Matthews pursuant to this agreement may not be recouped by Matthews. This agreement will remain in place until April 30, 2025 and may be terminated (i) at any time by the Board of Trustees upon 60 days' prior written notice to Matthews; or (ii) by Matthews at the annual expiration date of the agreement upon 60 days' prior written notice to the Trust, in each case without payment of any penalty.

# Institutional Class Performance and Expense Ratios (December 31, 2023) (unaudited)

Institutional Class	Average Annual Total Return†					2023 Annual Operating Expense Ratios* after Fee Waiver and Expense Reimbursement**	2023 Annual Operating Expense Ratios after Fee Waiver and Expense Reimbursement**	Prospectus Expense Ratios††	Prospectus Expense Ratios after Fee Waiver and Expense Reimbursement††
	1 year	5 years	10 years	Since Inception	Inception Date				
	<b>GLOBAL EMERGING MARKETS STRATEGIES</b>								
Emerging Markets Equity Fund (MIEFX)	8.63%	n.a.	n.a.	9.25%	4/30/20	1.51%	0.90%	1.47%	0.90% <sup>1</sup>
Emerging Markets Sustainable Future Fund (MISFX)	8.04%	10.84%	n.a.	7.44%	4/30/15	1.10%	1.10%	1.11%	1.11%
Emerging Markets Small Companies Fund (MISMX)	20.12%	15.71%	8.36%	7.82%	4/30/13	1.38%	1.15%	1.37%	1.15% <sup>1</sup>
<b>ASIA GROWTH STRATEGIES</b>									
Asia Growth Fund (MIAPX)	3.69%	1.98%	2.89%	4.02%	10/29/10	0.98%	0.98%	0.98%	0.98%
Pacific Tiger Fund (MIPTX)	-4.75%	0.69%	3.65%	3.67%	10/29/10	0.99%	0.98%	0.97%	0.96% <sup>2</sup>
Asia Innovators Fund (MITEX)	-1.62%	9.35%	7.39%	9.17%	4/30/13	1.02%	1.02%	1.04%	1.04%
China Fund (MICFX)	-19.11%	0.79%	1.99%	1.19%	10/29/10	1.01%	1.01%	0.98%	0.98%
China Small Companies Fund (MICHX)	-17.37%	6.43%	n.a.	3.00%	11/30/17	1.41%	1.20%	1.38%	1.20% <sup>1</sup>
India Fund (MIDNX)	23.27%	8.77%	11.83%	6.78%	10/29/10	1.01%	1.01%	1.01%	1.01%
Japan Fund (MIJFX)	18.08%	6.49%	5.63%	7.47%	10/29/10	1.02%	1.02%	0.97%	0.97%
<b>ASIA GROWTH AND INCOME STRATEGIES</b>									
Asian Growth and Income Fund (MICSX)	3.39%	2.92%	1.95%	3.05%	10/29/10	1.02%	1.02%	1.01%	1.01%
Asia Dividend Fund (MIPIX)	4.77%	0.99%	2.96%	4.03%	10/29/10	0.99%	0.99%	0.99%	0.99%
China Dividend Fund (MICDX)	-20.58%	-1.12%	3.28%	4.52%	10/29/10	1.04%	1.04%	1.06%	1.06%

† Annualized performance for periods of at least one year, otherwise cumulative.

\* Before fee waivers and expense reimbursement.

\*\* Expense ratio represents the actual expense ratio a shareholder would have paid if they had been invested the entire year.

†† These figures are from the Funds' prospectus dated as of April 28, 2023, and may differ from the actual expense ratios for fiscal year 2023, as shown in the financial highlights section of this report.

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**Past Performance: All performance quoted in this report is past performance and is no guarantee of future results. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the returns quoted. If certain of the Funds' fees and expenses had not been waived, returns would have been lower. For the Funds' most recent month-end performance, please call 800.789.ASIA (2742) or visit [matthewsasia.com](http://matthewsasia.com).**



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*This report has been prepared for Matthews International Funds (d/b/a Matthews Asia Funds) shareholders. It is not authorized for distribution to prospective investors unless accompanied or preceded by a current Matthews Asia Funds prospectus, which contains more complete information about the Funds' investment objectives, risks and expenses. Additional copies of the prospectus or summary prospectus may be obtained at [matthewsasia.com](http://matthewsasia.com). Please read the prospectus carefully before you invest or send money.*

*The views and opinions in this report were current as of December 31, 2023. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of a Fund's future investment intent. Current and future portfolio holdings are subject to risk.*

*Statements of fact are from sources considered reliable, but neither the Funds nor the Investment Advisor makes any representation or guarantee as to their completeness or accuracy.*

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**Investment Risk:** Mutual fund shares are not deposits or obligations of, or guaranteed by, any depository institution. Shares are not insured by the FDIC, Federal Reserve Board or any government agency and are subject to investment risks, including possible loss of principal amount invested. Investing in international and emerging markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Fixed income investments are subject to additional risks, including, but not limited to, interest rate, credit and inflation risks. In addition, single-country and sector funds may be subject to a higher degree of market risk than diversified funds because of a concentration in a specific industry, sector or geographic location. Investing in small and mid-size companies is more risky than investing in large companies as they may be more volatile and less liquid than larger companies. Please see the Funds' Prospectuses and Statement of Additional Information for more risk disclosure.

# Message to Shareholders from the President of Your Funds

Dear Fellow Shareholder,

Thank you for your continued trust in Matthews as your *active* partner in a World of Emerging Opportunities.

I believe that Emerging Markets, Asia and China can offer investors important opportunity sets for returns and diversification. The Year of the Dragon may present unique prospects for investors willing to look beyond immediate-term volatility and headlines and focus on specific companies and the long-term growth potential of dynamic economies.

## Emerging Markets

2023 was a volatile year for equity and fixed income markets around the world but Emerging Market economies remained resilient, with their central banks largely ahead of inflation and managing rates effectively. We saw renewed interest in India (digitalization and financialization, along with a Moon landing) and South Korea (technology and cultural leadership), as well as broader Emerging Market mandates. While China's markets remained challenging as it emerged from COVID lockdowns—disappointing expectations for a sharp rebound and geopolitical 'balloons'—quarterly financials of leading Chinese companies have begun to show encouraging results in both revenue and earnings. Meanwhile, small and mid caps outside of China performed well as investors looked into opportunities in companies that are less affected by regulatory and external concerns and are tied more directly to local economies. Asia's developed markets, such as Japan, are also generating interest once again, driven by resilient earnings growth amid a tepid global macro economy.

As we look ahead, Emerging Markets and Asia—including India, Brazil, Mexico, Japan, Vietnam and the Gulf—remain attractive with increased opportunities for stock picking supported by risk awareness. Many of the markets we invest in offer compelling valuation and diversification potential. With deep investment experience in these markets and strong fundamental research capabilities, the importance of Matthews as an experienced and trusted guide remains paramount.

## Matthews' Active ETFs and the Power of Choice

Based on our history of providing investors with unique access to Emerging Markets, Asia and China, we further enhanced our leadership in *Active* ETFs during the year. Building upon the first of their kind suite of active ETFs focused on these regions, Matthews added nine *Active* ETFs through January 2024. This suite of 12 *active*, research-based ETF vehicles incorporate experienced insights, sustainability considerations, and our deep research to offer a range of investment opportunity in a new way.

These sophisticated investments incorporate deep understanding of markets and companies to build differentiated portfolios, providing investors with the 'power of choice' for investing—and fine-tuning exposures—in these dynamic markets.

## Evolution...and Looking Forward

2023 was a year of dynamic changes, focused on the future. At the Funds' Board of Trustees level, we bid farewell to Toshi Shibano as he retired as a Trustee. He has been replaced by industry veteran Neal Andrews who brings 35 years of experience in financial services, adding to the diverse perspectives and experience of your Board of Trustees, led by Board Chair Gale Caruso. Additionally, Sean Taylor succeeded Robert Horrocks, PhD, as Matthews' Chief Investment Officer as of January 1, 2024, bringing a depth of intellectual knowledge and team management across Emerging Markets. We thank Toshi and Robert for their support—and Robert will continue as a portfolio manager on the Matthews Asian Growth and Income and the Matthews Asia Dividend Funds.



Looking forward, we will continue to maintain a thoughtful and opportunistic approach to identifying the most attractive long-term investment prospects and we remain steadfast in our research-based investment strategy.

We take seriously the stewardship of your assets and thank you for being a valued shareholder during what has been a tumultuous and challenging year. We look forward to the opportunities to come in the Lunar Year of the Dragon!

A handwritten signature in black ink, appearing to be 'Cooper Abbott', with a stylized initial 'A' and a horizontal line extending to the right.

Cooper Abbott, CFA  
President of the Matthews Asia Funds  
Chief Executive Officer, Matthews Asia

## Message to Shareholders from the Investment Advisor

Dear Valued Shareholder,

At the start of 2023, much attention was devoted to China. Emerging later than most from COVID lockdowns, China was anticipated by investors to deliver a post-pandemic economic recovery similar to that of other markets. And yet they were to be disappointed. The magnitude of the miscalculation was not immediately evident. However, as the year continued, one disappointment followed the next and the stocks of major companies in China ground down, impacting markets and the relative performance of your portfolios to different degrees.

Many explanations have been given for China's weak recovery: an interventionist regulatory environment; continued geopolitical risks; underlying lack of confidence among consumers and businesses; and perhaps even fears of a global recession. What seems undeniable is that the problems China encountered were largely domestic in nature and therefore its real problems were domestic as well. A remarkable feature of China's economic recovery has been consumers 'trading down' to cheaper goods while interest rates fell, inflation subsided and unemployment, particularly youth unemployment, rose to a level where it seems the authorities were no longer comfortable publishing the figures.

### **Less Scrooge, more Ebenezer**

You can talk about geopolitical risks and other external headwinds but I think China's woes have, to a significant extent, been self-inflicted. After seeing the rise in inflation in other countries after their COVID-related stimulus measures, China's government declined to boost its own economy. It also continued moves to curb speculation in its housing market. Both decisions negatively impacted the economy significantly, in my view. The subsequent removal of many of the restrictions and rhetoric seeking to limit housing market activity is good news and may well have laid the ground for more effective stimulus measures. We shall see.

Other countries that your portfolios can invest in were less overly restrictive in their policy-making in 2023, in my opinion, preferring to be more Ebenezer and less Scrooge. This meant that some saw inflation rates rise—India, Brazil, Mexico among them—in the immediate post-COVID period and thus spent much of the last year with elevated interest rates. And yet their domestic demand was strong and many emerging markets economies performed surprisingly well given that backdrop. The transient nature of inflation—another way of saying that a good portion was created by temporary supply-chain issues—meant that stimulus could also be withdrawn without great damage to their economies. The overall resilience of emerging markets in this rate-rise cycle, I believe, was a mixture of good policy choices made in the past and some good fortune in that the nature of the inflation problem made it inherently easier to treat.

While returns were hard to come by in 2023, there were some standout performances and India was one of them. Prime Minister Modi's reforms are starting to bear fruit, and hopes of global supply chain realignments bringing more manufacturing export business to India are also cause for optimism even if results on the ground remain debatable. By the end of 2023, some of the blush looked to have come off the rose as falling nominal growth rates started to approach the level of interest rates on India's government debt and this brought fiscal pressures back into focus. Still, the growth runway for India remains robust and compelling in our view.

Turning to another key market, Brazil has done almost as much to add to volatility as it has to returns over the past five years. However, it is not without its attractions. Valuations are reasonable and the central bank has been ahead of the curve in terms of tightening in the recent inflationary environment. It is likely to benefit, therefore, from





falling inflation and, if the promise of recession-less disinflation bears out, the cyclicity of many of its business will not be the headwind that many fear.

Japan has also done well though it did finish 2023 on comparatively high valuations. For close to 20 years, I have thought that Japan has needed inflation and I expect that global disinflationary conditions may slow its progress somewhat relative to other markets. Nevertheless, it remains home to world-class companies that will do well amid a weak yen.

### **Markets with opportunities**

In terms of industry trends, semiconductors were a strong source of market excitement. In this segment, Asia has some top quality companies and they continued to perform well. As belief grows over some of the productivity-enhancing aspects of artificial intelligence (AI), chip companies can expect continued strong demand, I believe. AI, for now, can do routine work where compromises can be made on quality and originality and I can see how this could be a boon for developed markets where low-skilled tasks are costly. In the medium term, at least, this is less likely to be an opportunity in low-wage economies. Therefore, I see AI impacting our markets and our portfolios most positively in the areas of hardware and components rather than from the practical adoption of the technology.

It was also a strong year for smaller companies. Smaller-scale businesses tend to do well in reflationary environments and that has been the case in this cycle. At Matthews, we have always had a tilt toward smaller companies because of the greater entrepreneurship they embody relative to their less commercial (or sometimes commercial but over-regulated) large-cap competitors. I would expect this to be a bias that continues in the future.

At the same time as small caps rallied, value companies also picked up. Value-stock rallies are often correlated with a rebound in cyclical names in the financial and raw materials industries. Perhaps nowhere was this effect more noticeable than in Japan where its large trading companies had stellar performances. In a relative sense, this detracted from performance in some cases as your portfolios are typically weighted more toward secular growth.

In 2024, concerns over China's weak recovery and the struggles of its many former mega-cap leaders will undoubtedly remain. The year, however, also holds the possibility of being one of many changes. Hong Kong, for example, has been hit hard—by the weak demand in China and by the fact that due to its fixed exchange rate, its interest rates must rise in the face of such economic weakness, precisely the opposite of what economic common sense dictates. As the U.S. enters a downward rate cycle, it could be positioned for a reversal in fortune.

And beyond China we also have solid grounds for optimism. India's outlook appears sound, key markets in Latin America are in good shape, and emerging markets, particularly in Asia, will likely become ever more embedded in secular trends like AI. Navigating these opportunities will demand flexibility and a continued focus on companies adept at plotting their own course for growth. In all cases, we shall place emphasis on finding good businesses for the long term.

Finally, as of January 1st, I am stepping down from my CIO responsibilities. What a privilege it has been to work with my colleagues on your behalf. But I felt it was time for a change. We have all—myself, Cooper, and many other colleagues on the investment team and in other departments—worked together to find Sean Taylor to take over the role. He has all the experience needed to run and grow a successful Emerging Markets and Asian team and will strive to achieve good performance in your portfolios. I remain at Matthews to continue to do my bit as a Portfolio Manager in that effort.



Robert Horrocks, PhD  
Chief Investment Officer  
Matthews International Capital Management, LLC



**PORTFOLIO MANAGERS**

**Alex Zarechnak**  
Lead Manager

**Sean Taylor**  
Co-Manager

**Peeyush Mittal, CFA**  
Co-Manager

**Andrew Mattock, CFA**  
Co-Manager

**Jeremy Sutch, CFA**  
Co-Manager

**FUND FACTS**

	Investor	Institutional
Ticker	MEGMX	MIEFX
CUSIP	577130651	577130644
Inception	4/30/20	4/30/20
NAV	\$11.86	\$11.84
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.70%	1.51%
After fee waiver and Reimbursement <sup>2</sup>	1.12%	0.90%

**Portfolio Statistics**

Total # of Positions	57
Net Assets	\$20.9 million
Weighted Average Market Cap	\$116.1 billion
Portfolio Turnover <sup>3</sup>	26.4%

**Benchmark**

MSCI Emerging Markets Index

**OBJECTIVE**

Long-term capital appreciation.

**STRATEGY**

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in emerging market countries. Emerging market countries generally include every country in the world except the United States, Australia, Canada, Hong Kong, Israel, Japan, New Zealand, Singapore and most of the countries in Western Europe.

# Matthews Emerging Markets Equity Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews Emerging Markets Equity Fund returned 8.43% (Investor Class) and 8.63% (Institutional Class), while its benchmark, the MSCI Emerging Markets Index, returned 10.27% over the same period. For the fourth quarter, the Fund returned 7.37% (Investor Class) and 7.47% (Institutional Class), while the benchmark returned 7.93%.

### Market Environment

2023 was challenging for emerging markets on a number of levels. At the macro level, rising interest rates and a strong U.S. dollar were headwinds while geopolitical tensions between the U.S. and China remained elevated and continued to be a significant drag on international sentiment toward China. Another notable trait of the year was the prolonged weakness of the Chinese economy. The rapid post-COVID recovery that many investors expected didn't materialize and the country struggled with a lack of confidence and problems in specific sectors like real estate. Mitigating China's woes somewhat was India's continued resilient growth, supported in part by its domestic infrastructure programs and increasing global trade. Toward the end of the year, there was a general consensus that inflation had peaked in the global economy and that the U.S. Federal Reserve would pivot toward cutting rates in 2024.

It is also encouraging to reflect on the economic conditions of most emerging markets coming out of the pandemic. COVID was a 'stress test' that most of these markets passed as far as macroeconomic policy and financial conditions are concerned. Emerging markets stimulated less fiscally and monetarily compared with developed markets and that left them with lower relative debt levels and more monetary policy credibility.

### Performance Contributors and Detractors

At the regional level, our overweight and stock selection in Mexico was the biggest contributor to total and relative returns in 2023, benefiting from gains in real estate, cement and banking stocks. An underweight to China also supported relative performance, as did our off-benchmark positions in Vietnam and the U.S., the latter buoyed by semiconductor equipment and enterprise software positions. On the other hand, stock selection in India was the biggest detractor to relative returns. We think we got our India allocation decision right, but poor stock selection more than offset that. Our underweight in technology companies in Taiwan and underweight and stock selection in South Korea also detracted.

At the sector level, stock selection in real estate contributed the most to relative returns in the period. An overweight to IT also contributed, as did an underweight and stock selection in consumer staples. In contrast, stock selection in consumer discretionary was the biggest detractor to relative performance due to holdings in China. Stock selection in energy also impacted relative returns.

At the holdings level, Prologis Property Mexico, a Mexican real estate developer, FPT Corp., a Vietnamese IT services company, Banco BTG Pactual, a Brazilian

(continued)

<sup>1</sup> Actual 2023 expense ratios.

<sup>2</sup> Matthews has contractually agreed (i) to waive fees and reimburse expenses to the extent needed to limit Total Annual Fund Operating Expenses (excluding Rule 12b-1 fees, taxes, interest, brokerage commissions, short sale dividend expenses, expenses incurred in connection with any merger or reorganization or extraordinary expenses such as litigation) of the Institutional Class to 0.90% first by waiving class specific expenses (i.e., shareholder service fees specific to a particular class) of the Institutional Class and then, to the extent necessary, by waiving non-class specific expenses (e.g., custody fees) of the Institutional Class, and (ii) if any Fund-wide expenses (i.e., expenses that apply to both the Institutional Class and the Investor Class) are waived for the Institutional Class to maintain the 0.90% expense limitation, to waive an equal amount (in annual percentage terms) of those same expenses for the Investor Class. The Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursement for the Investor Class may vary from year to year and will in some years exceed 0.90%. If the operating expenses fall below the expense limitation within three years after Matthews has made a waiver or reimbursement, the Fund may reimburse Matthews up to an amount that does not cause the expenses for that year to exceed the lesser of (i) the expense limitation applicable at the time of that fee waiver and/or expense reimbursement or (ii) the expense limitation in effect at the time of recoupment. This agreement will remain in place until April 30, 2025 and may be terminated at any time by the Board of Trustees on behalf of the Fund on 60 days' written notice to Matthews. Matthews may decline to renew this agreement by written notice to the Trust at least 30 days before its annual expiration date.

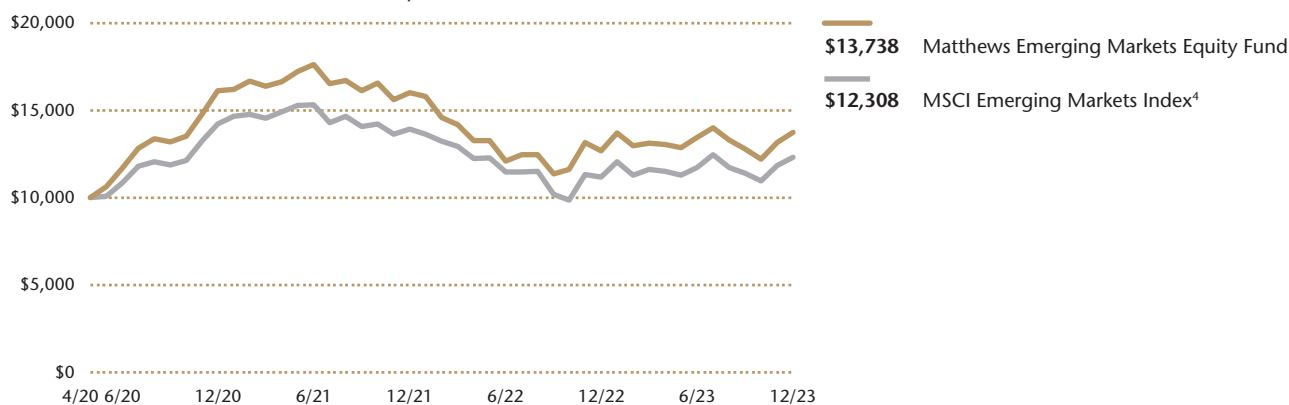
<sup>3</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns				Inception date
	3 Months	1 Year	3 Years	Since Inception	
Investor Class (MEGMX)	7.37%	8.43%	-5.20%	9.04%	04/30/20
Institutional Class (MIEFX)	7.47%	8.63%	-5.03%	9.25%	04/30/20
MSCI Emerging Markets Index <sup>4</sup>	7.93%	10.27%	-4.71%	5.82%	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance visit [matthewsasiasia.com](http://matthewsasiasia.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>4</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

## TOP TEN HOLDINGS<sup>5</sup>

Name	Sector	Country	% Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	Taiwan	6.7%
Samsung Electronics Co., Ltd., Pfd.	Information Technology	South Korea	6.1%
Tencent Holdings, Ltd.	Communication Services	China/Hong Kong	4.0%
Prologis Property Mexico SA de CV REIT	Real Estate	Mexico	4.0%
HDFC Bank, Ltd.	Financials	India	3.6%
Banco BTM Pactual SA	Financials	Brazil	2.7%
FPT Corp.	Information Technology	Vietnam	2.7%
ICICI Bank, Ltd.	Financials	India	2.5%
Infosys, Ltd.	Information Technology	India	2.5%
TotalEnergies SE	Energy	France	2.4%
<b>% OF ASSETS IN TOP 10</b>			<b>37.2%</b>

<sup>5</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

# Matthews Emerging Markets Equity Fund

## Portfolio Manager Commentary (unaudited) (continued)

investment bank and Globant, an enterprise software company with coders located throughout emerging markets, were among the top contributors to total and relative returns in 2023. Prologis benefited from the growing demand for quality warehouse space in Mexico, driven partly by re-shoring of supply chains from Asia. Globant bucked the trend of weaker enterprise software demand by nimbly emphasizing new verticals, like sports and entertainment, and leaning into vibrant geographies like Latin America and the Middle East. On the other hand, Chinese e-commerce company JD.com was the biggest detractor to total returns and was among the biggest detractors to relative returns. The company struggled against the backdrop of weak consumption as well as rising competitive intensity in the industry. First Quantum Minerals, a Canadian-based miner with global operations, also detracted, following a forced shutdown of its copper mine in Panama after countrywide protests. We exited that position toward the end of the year. Asia focused insurers AIA Group and Prudential also declined in 2023.

### Notable Portfolio Changes

The portfolio added a number of new positions, including Emaar Properties, a real estate developer in Dubai, and Prio, a Brazilian oil and gas producer. Emaar will benefit, we believe, as Dubai's reforms attract capital and stimulate economic growth. Prio is building a strong oil production business, in our view, by buying and rehabilitating fields which larger companies no longer want. On the flip side, we sold positions in companies including First Quantum, CapitalLand, a real estate investment trust in Singapore, and Bangkok Dusit Medical Services (BDMS), a hospital operator.

### Outlook

We continue to find many attractive emerging markets companies to consider for the portfolio. Even in uncertain times they are solving problems for their societies, or creating value for their customers. Inflation in emerging markets is also on the way down, and interest rate cuts around the world this year could help overall liquidity conditions. Near-shoring and 'China+1' trends also continue to benefit countries in Southeast Asia, Central Europe and Latin America. In the Middle East, the landscape has been changing as Saudi Arabia and the United Arab Emirates diversify away from oil. In Asia, we believe economies are finding their feet post COVID and we expect some cyclical growth to return. We also see opportunities coming from domestic structural drivers like infrastructure spend in certain markets, notably India, and these could help counter any slowdown in global trade and economic activity.

### COUNTRY ALLOCATION (%)<sup>6,7</sup>

India	16.9
China/Hong Kong	15.8
Brazil	10.9
Mexico	9.0
South Korea	7.5
Taiwan	6.7
United States	5.5
Vietnam	5.0
France	3.7
Philippines	2.7
Australia	2.4
Indonesia	2.2
United Arab Emirates	2.1
United Kingdom	2.1
Poland	2.0
Kazakhstan	1.5
Switzerland	1.4
Saudi Arabia	1.0
Cash and other Assets, Less Liabilities	1.6

### SECTOR ALLOCATION (%)<sup>7</sup>

Financials	24.7
Information Technology	22.3
Consumer Discretionary	15.1
Materials	10.3
Energy	5.8
Real Estate	5.0
Consumer Staples	4.5
Industrials	4.2
Communication Services	4.0
Health Care	2.5
Cash and other Assets, Less Liabilities	1.6

### MARKET CAP EXPOSURE (%)<sup>7</sup>

Mega Cap (over \$25B)	58.9
Large Cap (\$10B–\$25B)	12.4
Mid Cap (\$3B–10B)	20.5
Small Cap (under \$3B)	6.6
Cash and Other Assets, Less Liabilities	1.6

<sup>6</sup> Not all countries where the Fund may invest are included in the benchmark index.

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

# Matthews Emerging Markets Equity Fund

December 31, 2023

## Schedule of Investments<sup>a</sup>

### COMMON EQUITIES: 92.3%

	Shares	Value		Shares	Value
<b>INDIA: 16.9%</b>			<b>VIETNAM: 5.0%</b>		
HDFC Bank, Ltd. ADR	11,062	\$742,371	FPT Corp.	140,154	\$554,696
ICICI Bank, Ltd. ADR	21,795	519,593	Military Commercial Joint Stock Bank	388,657	298,459
Infosys, Ltd. ADR	28,026	515,118	HDBank	242,006	202,347
UltraTech Cement, Ltd.	3,073	387,663	<b>Total Vietnam</b>		<b>1,055,502</b>
Indian Hotels Co., Ltd.	63,174	332,613	<b>FRANCE: 3.7%</b>		
PI Industries, Ltd.	6,829	288,430	TotalEnergies SE ADR	7,508	505,889
Restaurant Brands Asia, Ltd. <sup>b</sup>	209,610	281,375	LVMH Moet Hennessy Louis Vuitton SE	329	267,325
Varun Beverages, Ltd.	15,667	232,739	<b>Total France</b>		<b>773,214</b>
Kotak Mahindra Bank, Ltd.	9,803	224,612	<b>PHILIPPINES: 2.7%</b>		
<b>Total India</b>		<b>3,524,514</b>	Ayala Corp.	25,290	310,954
<b>CHINA/HONG KONG: 15.8%</b>			Wilcon Depot, Inc.	661,500	249,668
Tencent Holdings, Ltd.	22,300	841,934	<b>Total Philippines</b>		<b>560,622</b>
AIA Group, Ltd.	48,000	417,738	<b>AUSTRALIA: 2.4%</b>		
H World Group, Ltd. ADR	10,609	354,765	Woodside Energy Group, Ltd.	23,786	502,280
JD.com, Inc. Class A	24,102	348,107	<b>Total Australia</b>		<b>502,280</b>
Midea Group Co., Ltd. A Shares	43,300	333,633	<b>INDONESIA: 2.2%</b>		
Yum China Holdings, Inc.	6,789	288,057	PT Bank Rakyat Indonesia Persero Tbk	1,243,200	462,057
BYD Co., Ltd. A Shares	10,200	283,456	<b>Total Indonesia</b>		<b>462,057</b>
Innovent Biologics, Inc. <sup>b,c,d</sup>	30,500	167,032	<b>UNITED KINGDOM: 2.1%</b>		
Shenzhen Mindray Bio-Medical Electronics Co., Ltd. A Shares	3,700	151,006	Prudential PLC	38,583	435,320
PDD Holdings, Inc. ADR <sup>b</sup>	702	102,710	<b>Total United Kingdom</b>		<b>435,320</b>
Midea Group Co., Ltd. A Shares	1,300	9,970	<b>UNITED ARAB EMIRATES: 2.1%</b>		
<b>Total China/Hong Kong</b>		<b>3,298,408</b>	Emaar Properties PJSC	103,343	222,861
<b>BRAZIL: 10.9%</b>			Fertiglobe PLC	254,840	206,079
Banco BTG Pactual SA	72,400	559,980	<b>Total United Arab Emirates</b>		<b>428,940</b>
Armac Locacao Logistica E Servicos SA	93,200	327,007	<b>POLAND: 2.0%</b>		
Vale SA ADR	20,337	322,545	Dino Polska SA <sup>b,c,d</sup>	3,583	419,517
Vinci Partners Investments, Ltd. Class A	28,479	311,845	<b>Total Poland</b>		<b>419,517</b>
WEG SA	31,900	242,336	<b>KAZAKHSTAN: 1.5%</b>		
PRIO SA	22,500	212,842	Kaspi.KZ JSC GDR <sup>d</sup>	3,411	313,812
Hapvida Participacoes e Investimentos SA <sup>b,c,d</sup>	213,800	195,713	<b>Total Kazakhstan</b>		<b>313,812</b>
NU Holdings, Ltd. Class A <sup>b</sup>	13,756	114,587	<b>SOUTH KOREA: 1.4%</b>		
<b>Total Brazil</b>		<b>2,286,855</b>	LG Chem, Ltd.	786	302,314
<b>MEXICO: 9.0%</b>			<b>Total South Korea</b>		<b>302,314</b>
Prologis Property Mexico SA de CV REIT	173,798	826,464	<b>SWITZERLAND: 1.4%</b>		
GCC SAB de CV	34,800	410,034	Cie Financiere Richemont SA Class A	2,140	295,586
Grupo Financiero Banorte SAB de CV Class O	35,400	355,981	<b>Total Switzerland</b>		<b>295,586</b>
Becle SAB de CV	144,700	283,503	<b>SAUDI ARABIA: 1.0%</b>		
<b>Total Mexico</b>		<b>1,875,982</b>	Bupa Arabia for Cooperative Insurance Co.	3,540	201,261
<b>TAIWAN: 6.7%</b>			<b>Total Saudi Arabia</b>		<b>201,261</b>
Taiwan Semiconductor Manufacturing Co., Ltd.	73,000	1,399,523	<b>UNITED STATES: 5.5%</b>		
<b>Total Taiwan</b>		<b>1,399,523</b>	Globant SA <sup>b</sup>	2,012	478,816
<b>UNITED STATES: 5.5%</b>			Applied Materials, Inc.	2,715	440,020
Globant SA <sup>b</sup>	2,012	478,816	Freeport-McMoRan, Inc.	5,471	232,900
Applied Materials, Inc.	2,715	440,020	<b>Total United States</b>		<b>1,151,736</b>
Freeport-McMoRan, Inc.	5,471	232,900			
<b>Total United States</b>		<b>1,151,736</b>			

Schedule of Investments<sup>a</sup> (continued)

COMMON EQUITIES (continued)

	Shares	Value
<b>RUSSIA: 0.0%</b>		
Sberbank of Russia PJSC <sup>e</sup>	128,308	\$1,438
LUKOIL PJSC ADR <sup>b,e</sup>	18,010	360
TCS Group Holding PLC GDR <sup>b,d,e</sup>	3,865	77
<b>Total Russia</b>		<b>1,875</b>
<b>TOTAL COMMON EQUITIES</b>		<b>19,289,318</b>
(Cost \$20,438,657)		
<b>PREFERRED EQUITIES: 6.1%</b>		
<b>SOUTH KOREA: 6.1%</b>		
Samsung Electronics Co., Ltd., Pfd.	26,364	1,270,389
<b>Total South Korea</b>		<b>1,270,389</b>
<b>TOTAL PREFERRED EQUITIES</b>		<b>1,270,389</b>
(Cost \$1,631,359)		
<b>TOTAL INVESTMENTS: 98.4%</b>		<b>20,559,707</b>
(Cost \$22,070,016)		
<b>CASH AND OTHER ASSETS, LESS LIABILITIES: 1.6%</b>		<b>342,396</b>
<b>NET ASSETS: 100.0%</b>		<b>\$20,902,103</b>

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
- b Non-income producing security.
- c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$782,262, which is 3.74% of net assets.
- d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- e Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy. The aggregate value of Level 3 securities is \$1,875 and 0.01% of net assets.

ADR American Depositary Receipt

GDR Global Depositary Receipt

JSC Joint Stock Co.

Pfd. Preferred

PJSC Public Joint Stock Co.

REIT Real Estate Investment Trust

See accompanying notes to financial statements.



**PORTFOLIO MANAGER**

**Vivek Tanneeru**  
Lead Manager  
**Inbok Song**  
Co-Manager

**FUND FACTS**

	Investor	Institutional
Ticker	MASGX	MISFX
CUSIP	577130727	577130719
Inception	4/30/15	4/30/15
NAV	\$12.54	\$12.55
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.23%	1.10%
<b>Portfolio Statistics</b>		
Total # of Positions	56	
Net Assets	\$209.5 million	
Weighted Average Market Cap	\$18.0 billion	
Portfolio Turnover <sup>2</sup>	49.2%	
<b>Benchmark</b>		
MSCI Emerging Markets Index		

**OBJECTIVE**

Long-term capital appreciation.

**STRATEGY**

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies of any market capitalization located in emerging market countries that satisfy one or more of the Fund's environmental, social and governance ("ESG") standards. Emerging market countries generally include every country in the world except the United States, Australia, Canada, Hong Kong, Israel, Japan, New Zealand, Singapore and most of the countries in Western Europe.

# Matthews Emerging Markets Sustainable Future Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews Emerging Markets Sustainable Future Fund returned 7.83% (Investor Class) and 8.04% (Institutional Class), while its benchmark, the MSCI Emerging Markets Index, returned 10.27% over the same period. For the fourth quarter, the Fund returned 2.35% (Investor Class) and 2.40% (Institutional Class), while the benchmark returned 7.93%.

### Market Environment

2023 was a year of opportunities and challenges marked by two distinct narratives: the Federal Reserve's 'higher for longer' interest rate strategy and China's labored and ongoing struggle to recover from the pandemic. Elevated interest rates and a strong U.S. dollar posed headwinds while China's travails impacted the economies of other markets like Thailand. But there were also strong performances by markets like India which benefited from national infrastructure programs and strong domestic investor inflows. Smaller companies in emerging markets also thrived in many cases in 2023. And toward the end of the year there was a general consensus that inflation had peaked in the global economy and that the Fed would pivot toward cutting rates in 2024. This provided some tailwinds across markets.

Hungary was the best-performing emerging market during 2023, followed by Greece, Poland and Egypt, while larger markets like India, Brazil and Mexico delivered robust returns. China was the worst-performer followed by Thailand and Kuwait. From a sector perspective, information technology (IT) was the top performer, supported by market exuberance over advancements in generative artificial intelligence (AI), while real estate and consumer discretionary were the worst performers, impacted in part by China's challenges in these sectors.

From a currency perspective, Latin American currencies like the Colombian peso, Mexican peso and Brazilian real appreciated against the U.S. dollar alongside Eastern European currencies like the Polish zloty and Hungarian forint. The Argentinian peso, Turkish lira and South African rand were the worst performers.

### Performance Contributors and Detractors

From a country perspective, stock selection in South Korea was the top contributor to total and relative returns. Stock selection in Brazil and an overweight and stock selection in India also contributed. On the flip side, an overweight allocation and stock selection in China/Hong Kong were the biggest detractors to total and relative returns in the period. As the year progressed, markets grew more pessimistic about the prospects of China's economic recovery, for a turnaround in its real estate sector and for an improvement in consumer sentiment. A lack of exposure to Mexico and Greece and an allocation to Estonia also detracted from relative returns.

At the sector level, an overweight and stock selection in financials, stock selection in real estate, and an underweight and stock selection in consumer discretionary contributed to returns. In contrast, stock selection in consumer staples and IT and a lack of exposure to energy were the biggest detractors to relative performance.

From an individual holdings perspective, Ecopro BM, a South Korean cathode maker, Shriram Finance, an Indian financial services provider, and YDUQS, a Brazilian on-campus and distance-learning education company, were the top

(continued)

<sup>1</sup> Actual 2023 expense ratios.

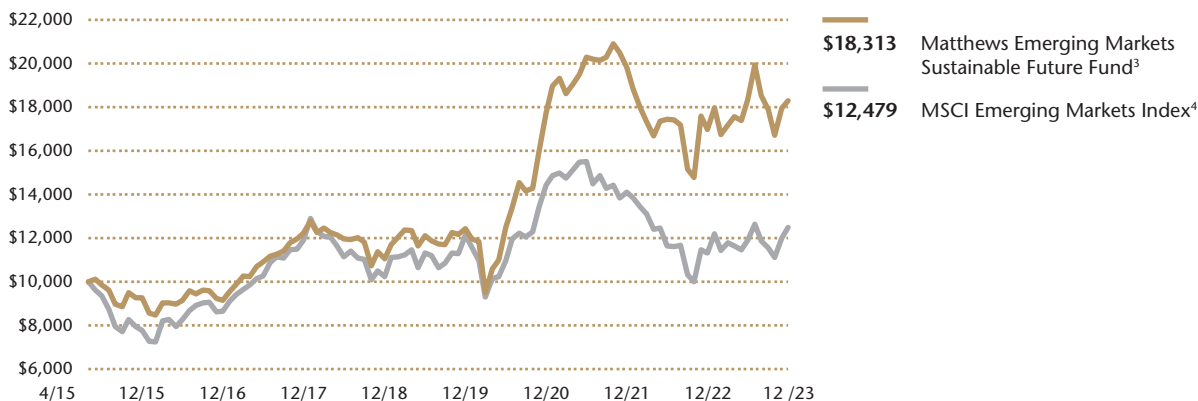
<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns					Inception Date
	3 Months	1 Year	3 years	5 years	Since Inception	
Investor Class (MASGX) <sup>3</sup>	2.35%	7.83%	1.05%	10.66%	7.23%	4/30/15
Institutional Class (MISFX) <sup>3</sup>	2.40%	8.04%	1.21%	10.84%	7.44%	4/30/15
MSCI Emerging Markets Index <sup>4</sup>	7.93%	10.27%	-4.71%	4.07%	2.59%	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance visit [matthewsasiam.com](http://matthewsasiam.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted Monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gain distributions or redemption of Fund shares. Values are in US\$.

<sup>3</sup> Before July 29, 2022, the Fund was managed with a slightly different investment strategy and may have achieved different performance results under its current investment strategy from the performance shown for periods before that date.

<sup>4</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

## TOP TEN HOLDINGS<sup>5</sup>

Name	Sector	Country	% Net Assets
Shriram Finance, Ltd.	Financials	India	6.9%
Bandhan Bank, Ltd.	Financials	India	6.5%
Full Truck Alliance Co., Ltd.	Industrials	China/Hong Kong	5.7%
JD Health International, Inc.	Consumer Staples	China/Hong Kong	5.7%
Meituan Class B	Consumer Discretionary	China/Hong Kong	4.5%
Samsung SDI Co., Ltd., Pfd.	Information Technology	South Korea	4.0%
B3 SA - Brasil Bolsa Balcao	Financials	Brazil	3.6%
Micron Technology, Inc.	Information Technology	United States	3.6%
Legend Biotech Corp.	Health Care	China/Hong Kong	3.5%
YDUQS Participacoes SA	Consumer Discretionary	Brazil	3.4%
<b>% OF ASSETS IN TOP 10</b>			<b>47.4%</b>

<sup>5</sup> Holdings may combine more than one security from same issuer and related depository receipts.



# Matthews Emerging Markets Sustainable Future Fund

## Portfolio Manager Commentary (unaudited) (continued)

contributors to relative returns. Ecopro BM's share price rallied on the expectations of a strong pickup in orders from U.S. battery manufacturing capex spend. Shriram continued to deliver strong results and, given its very attractive valuations, the stock performed well. YDUQS recovered well from pandemic-related weakness and as Brazilian interest rates started dropping the market took a more positive view on the company's reduced debt-servicing burden. Very depressed valuations earlier in the year also helped the stock perform well.

On the other hand, our Chinese positions like Meituan, a leading food delivery company and super-app operator, JD Health International, an online pharmacy and medical services player, and Ginlong Technologies, a manufacturer of solar inverters, were the biggest detractors to relative returns in the year. As markets soured on recovery prospects in consumer sentiment and consumer spending in China, names like Meituan and JD Health were weak. In addition, the market worried about competition within the in-store segment of Meituan from the ecommerce offering of Douyin, ByteDance's short video platform. We acknowledge the changes in the competitive environment but believe that Meituan will retain a strong market share over the mid-to-long term given its strong value proposition. Our research suggests that Douyin is being used as a medium to bring new customers to the segment and will aid the segment's overall growth. Ginlong Technologies was weak on account of elevated inventory levels in Europe, a key market for Chinese exporters, as well as expectations of slower growth in Ginlong's segment in China after a very strong 2023. We expect channel inventory to normalize this year and a meaningful drop in solar module prices in 2023 should spur additional demand.

### Notable Portfolio Changes

We initiated a number of new positions in the year, including in Eugene Technology, a South Korean semiconductor fabrication-equipment maker that specializes in deposition gear. In addition to its core expertise in low pressure chemical vapor deposition equipment, Eugene is making strong inroads into atomic layer deposition equipment thereby increasing its addressable market. While the company's products have largely been used in manufacturing memory products, it is also making progress in the semiconductor foundry manufacturing process which presents an attractive growth opportunity in the future. Among our exits, we sold China Conch Venture Holdings, a company involved in the energy and construction sectors, as we found better use of capital elsewhere.

### Outlook

Today, emerging markets contain many companies with solid business models and quality management. In addition, U.S. interest rates are looking downward which should create some macro tailwinds for the coming year. As well as the macro landscape and global trade, our focus in 2024 will be on key emerging markets that are generating robust growth, like India, and those that are challenged, like China, and how they can affect the dynamics of other emerging markets.

Longer term, we expect the emerging markets gross domestic product (GDP) growth differential with developed markets to improve from a 23-year low reached in 2022. This, alongside relatively attractive valuations, should potentially lend support to better equity performance against developed markets compared with the last decade.

Finally, we view sustainable investing as a synonym for long-term investing. Our approach focuses on investing in companies that are well-positioned to embrace global, multidecadal trends, including addressing critical challenges like climate change and inclusive development. These companies also tend to be good at identifying and proactively addressing long-term risk to their businesses. Emerging markets, we believe, are a key destination for sustainable investment themes that offer attractive opportunities for alpha generation.

COUNTRY ALLOCATION (%) <sup>6,7</sup>	
China/Hong Kong	38.4
India	20.3
Taiwan	10.8
South Korea	9.3
Brazil	7.8
United States	3.6
Poland	3.4
Saudi Arabia	2.3
Vietnam	1.5
Romania	1.4
Jordan	1.1
Chile	0.7
Bangladesh	0.6
Estonia	0.5
Liabilities in Excess of Cash and Other Assets	-1.6

SECTOR ALLOCATION (%) <sup>7</sup>	
Information Technology	25.2
Financials	21.8
Industrials	16.5
Consumer Discretionary	11.7
Health Care	8.3
Consumer Staples	7.3
Communication Services	5.1
Real Estate	3.6
Utilities	1.2
Materials	0.9
Liabilities in Excess of Cash and Other Assets	-1.6

MARKET CAP EXPOSURE (%) <sup>7</sup>	
Mega Cap (over \$25B)	19.6
Large Cap (\$10B-\$25B)	15.8
Mid Cap (\$3B-10B)	42.1
Small Cap (under \$3B)	24.2
Liabilities in Excess of Cash and Other Assets	-1.6

<sup>6</sup> Not all countries are included in the benchmark index.

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Schedule of Investments<sup>a</sup>

## COMMON EQUITIES: 97.6%

	Shares	Value	Shares	Value
<b>CHINA/HONG KONG: 38.4%</b>				
Full Truck Alliance Co., Ltd. ADR <sup>b</sup>	1,709,825	\$11,985,873		
JD Health International, Inc. <sup>b,c,d</sup>	2,381,900	11,956,538		
Meituan Class B <sup>b,c,d</sup>	894,900	9,395,357		
Legend Biotech Corp. ADR <sup>b</sup>	121,387	7,303,856		
Airtac International Group	159,000	5,224,444		
Lam Research Corp.	6,383	4,999,549		
Zhihu, Inc. ADR <sup>b</sup>	5,066,065	4,743,863		
Contemporary Amperex Technology Co., Ltd. A Shares	189,100	4,332,754		
Medlive Technology Co., Ltd. <sup>c,d</sup>	3,566,500	3,873,044		
Silergy Corp.	201,000	3,262,414		
Flat Glass Group Co., Ltd. H Shares	1,803,000	3,043,303		
Ginlong Technologies Co., Ltd. A Shares	250,000	2,461,855		
Innovent Biologics, Inc. <sup>b,c,d</sup>	314,500	1,722,347		
Centre Testing International Group Co., Ltd. A Shares	763,100	1,528,404		
Hangzhou Tigermed Consulting Co., Ltd. A Shares	154,476	1,190,620		
OPT Machine Vision Tech Co., Ltd. A Shares	69,292	1,094,287		
Zhejiang HangKe Technology, Inc., Co. A Shares	329,790	1,091,709		
Wuxi Biologics Cayman, Inc. <sup>b,c,d</sup>	265,500	1,004,188		
Hong Kong Exchanges & Clearing, Ltd.	6,200	212,662		
Morimatsu International Holdings Co., Ltd. <sup>b,d</sup>	101,000	71,166		
WuXi XDC Cayman, Inc. <sup>b</sup>	2,723	11,159		
<b>Total China/Hong Kong</b>		<b>80,509,392</b>		
<b>INDIA: 20.3%</b>				
Shriram Finance, Ltd.	582,264	14,363,137		
Bandhan Bank, Ltd. <sup>c,d</sup>	4,712,402	13,656,248		
Indus Towers, Ltd. <sup>b</sup>	2,218,207	5,301,664		
Phoenix Mills, Ltd.	162,227	4,373,118		
Mahindra & Mahindra, Ltd.	168,560	3,500,753		
UNO Minda, Ltd.	158,078	1,305,224		
Marico, Ltd.	15,601	102,799		
<b>Total India</b>		<b>42,602,943</b>		
<b>TAIWAN: 10.8%</b>				
M31 Technology Corp.	144,501	4,974,501		
Andes Technology Corp.	270,000	4,214,481		
Elite Material Co., Ltd.	335,000	4,160,026		
Poya International Co., Ltd.	179,731	3,229,451		
AP Memory Technology Corp.	152,000	2,316,643		
Formosa Sumco Technology Corp.	335,000	1,836,231		
Sporton International, Inc.	233,270	1,830,355		
<b>Total Taiwan</b>		<b>22,561,688</b>		
<b>BRAZIL: 7.8%</b>				
B3 SA - Brasil Bolsa Balcao	2,503,500	7,490,398		
YDUQS Participacoes SA	1,551,000	7,152,112		
NU Holdings, Ltd. Class A <sup>b</sup>	197,234	1,642,959		
<b>Total Brazil</b>		<b>16,285,469</b>		
<b>SOUTH KOREA: 5.3%</b>				
Eugene Technology Co., Ltd.	113,940	\$3,586,464		
Solus Advanced Materials Co., Ltd.	112,938	2,316,832		
Ecopro BM Co., Ltd.	9,361	2,076,096		
Advanced Nano Products Co., Ltd.	20,219	1,874,537		
Samsung SDI Co., Ltd.	3,012	1,096,642		
LG Energy Solution, Ltd. <sup>b</sup>	419	138,277		
<b>Total South Korea</b>		<b>11,088,848</b>		
<b>UNITED STATES: 3.6%</b>				
Micron Technology, Inc.	87,403	7,458,972		
<b>Total United States</b>		<b>7,458,972</b>		
<b>POLAND: 3.3%</b>				
InPost SA <sup>b</sup>	277,627	3,843,880		
Jeronimo Martins SGPS SA	124,831	3,177,015		
<b>Total Poland</b>		<b>7,020,895</b>		
<b>SAUDI ARABIA: 2.3%</b>				
Saudi Tadawul Group Holding Co.	98,595	4,825,639		
<b>Total Saudi Arabia</b>		<b>4,825,639</b>		
<b>VIETNAM: 1.5%</b>				
Nam Long Investment Corp.	2,128,939	3,208,861		
<b>Total Vietnam</b>		<b>3,208,861</b>		
<b>ROMANIA: 1.4%</b>				
Banca Transilvania SA	536,864	2,890,504		
<b>Total Romania</b>		<b>2,890,504</b>		
<b>JORDAN: 1.1%</b>				
Hikma Pharmaceuticals PLC	103,971	2,369,196		
<b>Total Jordan</b>		<b>2,369,196</b>		
<b>CHILE: 0.7%</b>				
Aguas Andinas SA Class A	4,569,644	1,476,170		
<b>Total Chile</b>		<b>1,476,170</b>		
<b>BANGLADESH: 0.6%</b>				
BRAC Bank PLC	2,248,844	686,435		
GrameenPhone, Ltd.	227,236	541,640		
<b>Total Bangladesh</b>		<b>1,228,075</b>		
<b>ESTONIA: 0.5%</b>				
Enefit Green AS	270,590	1,062,240		
<b>Total Estonia</b>		<b>1,062,240</b>		
<b>TOTAL COMMON EQUITIES</b>				<b>204,588,892</b>
(Cost \$191,206,901)				

*Schedule of Investments<sup>a</sup> (continued)*

**PREFERRED EQUITIES: 4.0%**

	Shares	Value
<b>SOUTH KOREA: 4.0%</b>		
Samsung SDI Co., Ltd., Pfd.	44,134	\$8,392,916
<b>Total South Korea</b>		<b>8,392,916</b>
<b>TOTAL PREFERRED EQUITIES</b>		
		<b>8,392,916</b>
(Cost \$ 11,686,259)		
<b>TOTAL INVESTMENTS: 101.6%</b>		
		<b>212,981,808</b>
(Cost \$ 202,893,160)		

**LIABILITIES IN EXCESS OF CASH  
AND OTHER ASSETS: (1.6%)**

**(3,456,721)**

**NET ASSETS: 100.0%**

**\$209,525,087**

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
- b Non-income producing security.
- c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$41,607,722, which is 19.86% of net assets.
- d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.

ADR American Depositary Receipt

Pfd. Preferred

See accompanying notes to financial statements.



**PORTFOLIO MANAGERS**

**Vivek Tanneeru**  
Lead Manager

**Jeremy Sutch, CFA** **Alex Zarechnak**  
Co-Manager Co-Manager

**FUND FACTS**

	Investor	Institutional
Ticker	MSMLX	MISMX
CUSIP	577125206	577125867
Inception	9/15/08	4/30/13
NAV	\$25.52	\$25.49
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.49%	1.38%
After Fee Waiver and Reimbursement <sup>2</sup>	1.34%	1.15%

**Portfolio Statistics**

Total # of Positions	78
Net Assets	\$615.4 million
Weighted Average Market Cap	\$4.0 billion
Portfolio Turnover <sup>3</sup>	26.9%

**Benchmark**

MSCI Emerging Markets Small Cap Index

**OBJECTIVE**

Long-term capital appreciation.

**STRATEGY**

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of Small Companies located in emerging market countries. Emerging market countries generally include every country in the world except the United States, Australia, Canada, Hong Kong, Israel, Japan, New Zealand, Singapore and most of the countries in Western Europe. The Fund defines Small Companies as companies with market capitalization no higher than the greater of \$5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI Emerging Markets Small Cap Index.

# Matthews Emerging Markets Small Companies Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews Emerging Markets Small Companies Fund returned 19.88% (Investor Class) and 20.12% (Institutional Class), while its benchmark, the MSCI Emerging Markets Small Cap Index, returned 24.49% over the same period. For the fourth quarter, the Fund returned 5.40% (Investor Class) and 5.47% (Institutional Class), while the benchmark returned 9.05%.

### Market Environment

2023 was a year of opportunities and challenges marked by two distinct narratives: the Federal Reserve's 'higher for longer' interest rate strategy and China's labored and ongoing struggle to recover from the pandemic. Elevated interest rates and a strong U.S. dollar posed headwinds while China's travails impacted the economies of other markets like Thailand. But there were also strong performances by markets like India which benefited from national infrastructure programs and strong domestic investor inflows. Smaller companies in emerging markets also thrived in many cases in 2023. And toward the end of the year there was a general consensus that inflation had peaked in the global economy and that the Fed would pivot toward cutting rates in 2024. This provided some tailwinds across markets.

Hungary was the best-performing emerging market in the benchmark index during 2023, followed by Poland, Egypt and Greece, while larger markets like South Korea, Brazil and India and Mexico delivered robust returns. China/Hong Kong was the worst-performer followed by Thailand and Kuwait. From a sector perspective, information technology (IT) was the top performer, supported by market exuberance over advancements in commercial artificial intelligence (AI), while consumer discretionary and real estate were the worst performers, impacted in part by China's challenges in these sectors.

From a currency perspective, Latin American currencies like the Colombian peso, Mexican peso and Brazilian real appreciated against the U.S. dollar alongside Eastern European currencies like the Polish zloty and Hungarian forint. The Argentinian peso, Turkish lira and South African rand were the worst performers.

### Performance Contributors and Detractors

From a country perspective, stock selection in South Korea was the top contributor to total and relative returns. Stock selection in Brazil and an underweight in Thailand also contributed. On the flip side, an overweight to China/Hong Kong was by far the biggest detractor to total and relative returns in the period. As the year progressed, markets grew more pessimistic about the prospects of China's economic recovery, for a turnaround in its real estate sector and for an improvement in consumer sentiment. In our view, the MSCI Emerging Markets Small Cap Index has a much smaller allocation to China than is warranted as it doesn't have mainland A-shares representation, and this accounts for the bulk of the small-cap investment universe in China. An underweight and stock selection in India also impacted relative performance.

(continued)

1 Actual 2023 expense ratios.

2 Matthews has contractually agreed (i) to waive fees and reimburse expenses to the extent needed to limit Total Annual Fund Operating Expenses (excluding Rule 12b-1 fees, taxes, interest, brokerage commissions, short sale dividend expenses, expenses incurred in connection with any merger or reorganization or extraordinary expenses such as litigation) of the Institutional Class to 1.15% first by waiving class specific expenses (i.e., shareholder service fees specific to a particular class) of the Institutional Class and then, to the extent necessary, by waiving non-class specific expenses (e.g., custody fees) of the Institutional Class, and (ii) if any Fund-wide expenses (i.e., expenses that apply to both the Institutional Class and the Investor Class) are waived for the Institutional Class to maintain the 1.15% expense limitation, to waive an equal amount (in annual percentage terms) of those same expenses for the Investor Class. The Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursement for the Investor Class may vary from year to year and will in some years exceed 1.15%. If the operating expenses fall below the expense limitation within three years after Matthews has made a waiver or reimbursement, the Fund may reimburse Matthews up to an amount that does not cause the expenses for that year to exceed the lesser of (i) the expense limitation applicable at the time of that fee waiver and/or expense reimbursement or (ii) the expense limitation in effect at the time of recoupment. This agreement will remain in place until April 30, 2025 and may be terminated at any time by the Board of Trustees on behalf of the Fund on 60 days' written notice to Matthews. Matthews may decline to renew this agreement by written notice to the Trust at least 30 days before its annual expiration date.

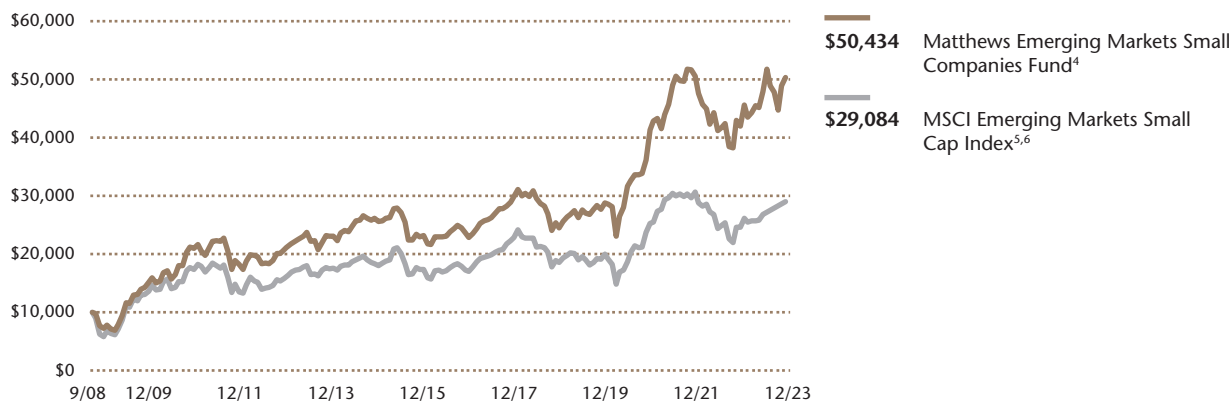
3 The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns						Inception Date
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception	
Investor Class (MSMLX) <sup>4</sup>	5.40%	19.88%	6.79%	15.48%	8.13%	11.16%	09/15/08
Institutional Class (MISMX) <sup>4</sup>	5.47%	20.12%	7.00%	15.71%	8.36%	7.82%	04/30/13
MSCI Emerging Markets Small Cap Index <sup>5</sup>	9.05%	24.49%	6.99%	10.41%	5.74%	7.23% <sup>6</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance, visit [matthewsasiasia.com](http://matthewsasiasia.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>4</sup> Before April 30, 2021, the Fund was managed with a different investment strategy and may have achieved different performance results for periods before that date with its current investment strategy.

<sup>5</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

<sup>6</sup> Calculated from 9/15/08.

## TOP TEN HOLDINGS<sup>7</sup>

Name	Sector	Country	% Net Assets
Shriram Finance, Ltd.	Financials	India	6.1%
Bandhan Bank, Ltd.	Financials	India	5.9%
Full Truck Alliance Co., Ltd.	Industrials	China/Hong Kong	3.6%
Legend Biotech Corp.	Health Care	China/Hong Kong	3.1%
YDUQS Participacoes SA	Consumer Discretionary	Brazil	3.0%
Hugel, Inc.	Health Care	South Korea	3.0%
Vamos Locacao de Caminhoes Maquinas e Equipamentos SA	Industrials	Brazil	3.0%
Phoenix Mills, Ltd.	Real Estate	India	2.8%
Silergy Corp.	Information Technology	China/Hong Kong	2.7%
Airtac International Group	Industrials	China/Hong Kong	2.7%
<b>% OF ASSETS IN TOP 10</b>			<b>35.9%</b>

<sup>7</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

# Matthews Emerging Markets Small Companies Fund

## Portfolio Manager Commentary (unaudited) (continued)

At the sector level, stock selection in consumer discretionary, an underweight and stock selection in consumer staples and an overweight and stock selection in financials contributed to returns. In contrast, stock selection in industrials, IT and communication services were the biggest detractors to relative returns.

From a holdings perspective, Ecopro BM, a South Korean cathode maker, Shriram Finance, an Indian financial services provider, and YDUQS, a Brazilian on-campus and distance-learning education company, were among the top contributors to relative returns. Ecopro BM's share price rallied on the expectations of a strong pickup in orders from U.S. battery manufacturing capex spend. Shriram continued to deliver strong results and, given its very attractive valuations, the stock performed well. YDUQS recovered well from pandemic-related weakness and as Brazilian interest rates started dropping, the market took a more positive view on the company's reduced debt-servicing burden. Very depressed valuations earlier in the year also helped the stock perform well.

On the other hand, China consumption-oriented names such as Hainan Meilan International Airport Co., Beijing Capital International Airport Co. and Xtep International, a sporting goods company, were among the biggest detractors to relative returns in the year. The Chinese airport operators were weak on the back of reduced expectations of a rebound in consumption broadly, and in air travel services, in particular, as 2023 progressed. We remain positive on the longer-term outlook for international travel in the case of Beijing Capital International Airport and for domestic tourist arrivals in the case of Hainan Meilan, despite near-term headwinds as people tilt their travel budgets internationally.

### Notable Portfolio Changes

In 2023, we participated in the initial public offering (IPO) of Wuxi XDC. The company is an affiliate of Wuxi Biologics, a leading Chinese contract, development and manufacturing entity. XDC specializes in bioconjugates, including anti-body drug conjugates, a promising area of growth within the biotech industry globally. Among our exits, we sold Lemon Tree, an Indian mid-market hotel chain operator, to take profits, and sold our position in Bank Tabungan Negara in Indonesia to deploy capital elsewhere.

### Outlook

Today, emerging markets contain many companies with solid business models and quality management. In addition, U.S. interest rates are looking downward which should create some macro tailwinds for the coming year. As well as the macro landscape and global trade, our focus in 2024 will be on key emerging markets that are generating robust growth, like India, and those that are challenged, like China, and how they can affect the dynamics of other emerging markets. We are also focused on economies that might be turning a corner like Turkey.

Longer term, we expect the emerging markets gross domestic product (GDP) growth-differential with developed markets to improve from a 23-year low reached in 2022. This, alongside relatively attractive valuations, should potentially lend support to better equity performance against developed markets compared with the last decade.

We believe small companies in emerging markets offer long-term growth opportunities given their innovation and domestic consumption orientation while also being less exposed to regulatory and geo-political risks. We continue to find quality businesses at attractive valuations in this asset class.

### COUNTRY ALLOCATION (%)<sup>8,9</sup>

China/Hong Kong	28.7
India	23.8
Taiwan	11.6
Brazil	11.2
South Korea	7.2
Vietnam	4.5
Chile	3.5
Philippines	2.3
Saudi Arabia	1.7
Poland	1.6
Indonesia	1.5
Thailand	0.9
Turkey	0.6
Bangladesh	0.5
United Arab Emirates	0.2
Mexico	0.1
Liabilities in Excess of Cash and Other Assets	-0.1

### SECTOR ALLOCATION (%)<sup>9</sup>

Industrials	23.8
Information Technology	18.4
Financials	18.2
Consumer Discretionary	16.8
Health Care	10.9
Real Estate	5.9
Communication Services	2.1
Consumer Staples	1.7
Materials	1.5
Utilities	0.7
Liabilities in Excess of Cash and Other Assets	-0.1

### MARKET CAP EXPOSURE (%)<sup>9,10</sup>

Mega Cap (over \$25B)	0.0
Large Cap (\$10B-\$25B)	5.3
Mid Cap (\$3B-10B)	43.5
Small Cap (under \$3B)	51.3
Liabilities in Excess of Cash and Other Assets	-0.1

<sup>8</sup> Not all countries where the Fund may invest are included in the benchmark index.

<sup>9</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

<sup>10</sup> The Fund defines Small Companies as companies with market capitalization no higher than the greater of \$5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI Emerging Markets Small Cap Index.

Schedule of Investments<sup>a</sup>

## COMMON EQUITIES: 98.4%

	Shares	Value	Shares	Value
<b>CHINA/HONG KONG: 28.8%</b>				
Full Truck Alliance Co., Ltd. ADR <sup>b</sup>	3,126,745	\$21,918,483		
Legend Biotech Corp. ADR <sup>b</sup>	313,990	18,892,778		
Silergy Corp.	1,041,000	16,896,381		
Airtac International Group	513,431	16,870,388		
Zhihu, Inc. ADR <sup>b</sup>	14,037,152	13,144,389		
Medlive Technology Co., Ltd. <sup>c,d</sup>	9,906,500	10,757,973		
Tongcheng Travel Holdings, Ltd. <sup>b,d</sup>	4,496,400	8,327,555		
Flat Glass Group Co., Ltd. H Shares	4,651,000	7,850,472		
Beijing Capital International Airport Co., Ltd. H Shares <sup>b</sup>	22,956,000	6,735,144		
Peijia Medical, Ltd. <sup>b,c,d</sup>	6,897,000	6,530,152		
SITC International Holdings Co., Ltd.	3,741,000	6,457,077		
Xtep International Holdings, Ltd.	9,415,000	5,322,233		
Hongfa Technology Co., Ltd. A Shares	1,257,400	4,875,869		
Ginlong Technologies Co., Ltd. A Shares	491,906	4,844,006		
Hainan Meilan International Airport Co., Ltd. H Shares <sup>b</sup>	5,154,000	4,581,836		
Innovent Biologics, Inc. <sup>b,c,d</sup>	665,000	3,641,847		
Centre Testing International Group Co., Ltd. A Shares	1,687,838	3,380,550		
AK Medical Holdings, Ltd. <sup>c,d</sup>	4,164,000	3,339,973		
OPT Machine Vision Tech Co., Ltd. A Shares	192,758	3,044,111		
Morimatsu International Holdings Co., Ltd. <sup>b,d</sup>	3,455,000	2,434,432		
Zhejiang HangKe Technology, Inc. Co. A Shares	730,855	2,408,002		
Centre Testing International Group Co., Ltd. A Shares	849,674	1,693,813		
CIFI Ever Sunshine Services Group, Ltd. <sup>d</sup>	8,690,000	1,612,828		
Ginlong Technologies Co., Ltd. A Shares	160,210	1,570,250		
WuXi XDC Cayman, Inc. <sup>b</sup>	7,000	28,687		
<b>Total China/Hong Kong</b>		<b>177,159,229</b>		
<b>INDIA: 23.8%</b>				
Shriram Finance, Ltd.	1,523,189	37,573,629		
Bandhan Bank, Ltd. <sup>c,d</sup>	12,424,114	36,004,309		
Phoenix Mills, Ltd.	639,888	17,249,324		
Finolex Cables, Ltd.	796,105	10,220,040		
Radico Khaitan, Ltd.	479,542	9,552,752		
UNO Minda, Ltd.	849,342	7,012,875		
Barbeque Nation Hospitality, Ltd. <sup>b</sup>	869,881	6,980,627		
Cartrade Tech, Ltd. <sup>b</sup>	686,900	5,887,714		
Hindware Home Innovation, Ltd.	955,695	5,841,540		
Rainbow Children's Medicare, Ltd.	373,662	5,354,290		
HEG, Ltd.	148,778	3,410,442		
Marico, Ltd.	180,593	1,189,970		
<b>Total India</b>		<b>146,277,512</b>		
<b>TAIWAN: 11.6%</b>				
M31 Technology Corp.	422,702	14,551,674		
Andes Technology Corp.	670,000	10,458,157		
Elite Material Co., Ltd.	717,000	8,903,698		
Poya International Co., Ltd.	443,506	7,969,026		
Wiwynn Corp.	124,000	7,342,105		
AP Memory Technology Corp.	413,000	6,294,562		
Yageo Corp.	313,124	6,080,067		
ASPEED Technology, Inc.	59,000	5,976,756		
Formosa Sumco Technology Corp.	717,000	\$3,930,081		
<b>Total Taiwan</b>		<b>71,506,126</b>		
<b>BRAZIL: 9.5%</b>				
YDUQS Participacoes SA	3,999,800	18,444,239		
Vamos Locacao de Caminhoes Maquinas e Equipamentos SA	8,841,400	18,312,948		
Grupo SBF SA	5,756,300	13,913,300		
Vivara Participacoes SA	1,094,700	7,711,516		
<b>Total Brazil</b>		<b>58,382,003</b>		
<b>SOUTH KOREA: 7.2%</b>				
Hugel, Inc. <sup>b</sup>	159,015	18,400,290		
Eugene Technology Co., Ltd.	322,474	10,150,443		
Ecopro BM Co., Ltd.	29,582	6,560,738		
Advanced Nano Products Co., Ltd.	55,306	5,127,512		
Solus Advanced Materials Co., Ltd.	212,553	4,360,354		
<b>Total South Korea</b>		<b>44,599,337</b>		
<b>VIETNAM: 4.5%</b>				
Military Commercial Joint Stock Bank	12,076,780	9,274,044		
FPT Corp.	1,942,023	7,686,058		
Mobile World Investment Corp.	4,127,314	7,273,249		
Nam Long Investment Corp.	2,341,132	3,528,691		
<b>Total Vietnam</b>		<b>27,762,042</b>		
<b>CHILE: 3.5%</b>				
Parque Arauco SA	6,371,494	10,269,488		
Lundin Mining Corp.	524,400	4,290,024		
Aguas Andinas SA Class A	12,481,194	4,031,904		
Banco de Credito e Inversiones SA	112,516	3,045,943		
<b>Total Chile</b>		<b>21,637,359</b>		
<b>PHILIPPINES: 2.3%</b>				
GT Capital Holdings, Inc.	816,350	8,699,805		
Cebu Air, Inc. <sup>b</sup>	9,407,700	5,521,449		
<b>Total Philippines</b>		<b>14,221,254</b>		
<b>SAUDI ARABIA: 1.7%</b>				
Saudi Tadawul Group Holding Co.	215,643	10,554,444		
<b>Total Saudi Arabia</b>		<b>10,554,444</b>		
<b>POLAND: 1.6%</b>				
InPost SA <sup>b</sup>	728,499	10,086,420		
<b>Total Poland</b>		<b>10,086,420</b>		
<b>INDONESIA: 1.5%</b>				
PT Mitra Adiperkasa Tbk	46,599,000	5,417,671		
PT Summarecon Agung Tbk	95,466,216	3,564,971		
<b>Total Indonesia</b>		<b>8,982,642</b>		
<b>THAILAND: 0.9%</b>				
Siam Wellness Group Public Co., Ltd. F Shares <sup>b</sup>	16,919,000	5,698,550		
<b>Total Thailand</b>		<b>5,698,550</b>		

Schedule of Investments<sup>a</sup> (continued)

## COMMON EQUITIES (continued)

	Shares	Value
<b>TURKEY: 0.6%</b>		
Ford Otomotiv Sanayi AS	139,426	\$3,498,809
<b>Total Turkey</b>		<b>3,498,809</b>
<b>BANGLADESH: 0.5%</b>		
BRAC Bank PLC	9,319,571	2,844,698
<b>Total Bangladesh</b>		<b>2,844,698</b>
<b>UNITED ARAB EMIRATES: 0.3%</b>		
Network International Holdings PLC <sup>b,c,d</sup>	308,065	1,530,647
<b>Total United Arab Emirates</b>		<b>1,530,647</b>
<b>MEXICO: 0.1%</b>		
Banco del Bajío SA <sup>c,d</sup>	187,400	626,837
<b>Total Mexico</b>		<b>626,837</b>
<b>RUSSIA: 0.0%</b>		
Moscow Exchange MICEX-RTS PJSC <sup>e</sup>	2,101,250	23,544
TCS Group Holding PLC GDR <sup>b,d,e</sup>	62,962	1,259
HeadHunter Group PLC ADR <sup>e</sup>	15,800	316
<b>Total Russia</b>		<b>25,119</b>
<b>TOTAL COMMON EQUITIES</b>		<b>605,393,028</b>
(Cost \$550,896,494)		

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
- b Non-income producing security.
- c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$62,431,738, which is 10.14% of net assets.
- d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- e Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy. The aggregate value of Level 3 securities is \$25,119 and 0.00% of net assets.

ADR American Depositary Receipt

GDR Global Depositary Receipt

Pfd. Preferred

PJSC Public Joint Stock Co.

See accompanying notes to financial statements.

## PREFERRED EQUITIES: 1.7%

<b>BRAZIL: 1.7%</b>		
Banco Pan SA, Pfd.	5,859,800	10,419,851
<b>Total Brazil</b>		<b>10,419,851</b>
<b>TOTAL PREFERRED EQUITIES</b>		<b>10,419,851</b>
(Cost \$8,927,482)		
<b>TOTAL INVESTMENTS: 100.1%</b>		<b>615,812,879</b>
(Cost \$559,823,976)		

**LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS: (0.1%)** (415,232)

**NET ASSETS: 100.0%** \$615,397,647





## PORTFOLIO MANAGERS

**Michael J. Oh, CFA**

Lead Manager

**Peeyush Mittal, CFA** **Shuntaro Takeuchi**

Co-Manager

Co-Manager

## FUND FACTS

	Investor	Institutional
Ticker	MPACX	MIAPX
CUSIP	577130867	577130776
Inception	10/31/03	10/29/10
NAV	\$21.19	\$21.46
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.13%	0.98%

### Portfolio Statistics

Total # of Positions	54
Net Assets	\$371.3 million
Weighted Average Market Cap	\$128.3 billion
Portfolio Turnover <sup>2</sup>	77.3%

### Benchmark

MSCI AC Asia Pacific Index

## OBJECTIVE

Long-term capital appreciation.

## STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Asia. Asia consists of all countries and markets in Asia, and includes developed, emerging and frontier countries and markets in the Asian region. The Fund may also invest in the convertible securities, of any duration or quality, of Asian companies.

# Matthews Asia Growth Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews Asia Growth Fund returned 3.53% (Investor Class) and 3.69% (Institutional Class), while its benchmark, the MSCI All Country Asia Pacific Index, returned 11.81% over the same period. For the fourth quarter, the Fund returned 8.32% (Investor Class) and 8.31% (Institutional Class), while the benchmark returned 8.00%.

### Market Environment

2023 was challenging on many levels for Asia equity markets. At the macro level, rising interest rates and a strong U.S. dollar were headwinds for the region. Growth companies were out of favor while value companies outperformed. Geopolitical tensions between the U.S. and China also remained elevated, particularly in the first half, and we expect these tensions to continue. The most notable feature, however, was the prolonged weakness of the Chinese economy. The rapid post-COVID recovery that many investors expected didn't materialize and the country instead struggled with a lack of confidence and problems in specific sectors like real estate. Mitigating China's woes somewhat was India's continued resilient growth, supported in part by its domestic infrastructure programs and increasing global trade. Information technology (IT) was the largest contributor to returns in the region, while communication services was among the laggards. Toward the end of the year, there was a general consensus that inflation had peaked in the global economy and that the U.S. Federal Reserve would pivot toward cutting rates in 2024 and the dollar would weaken. This provided some tailwinds across the region in the final quarter of 2023.

### Performance Contributors and Detractors

Regionally, our stock selection in Indonesia, our underweight allocation to Thailand and zero exposure to Malaysia contributed the most to relative returns in 2023. On the other hand, our overweight and stock selection in China/Hong Kong was the biggest detractor to relative returns in the year. Our exposure was hurt by the much slower-than-expected recovery in China, international concerns over geopolitical risks, and regulatory uncertainties related to technology companies.

At the sector level, stock selection in financials and materials contributed the most to relative returns. In contrast, our overweight allocation to and stock selection within health care as well as consumer discretionary detracted the most from relative performance for the year.

On a company basis, Disco Corp. contributed the most to absolute and relative returns. Disco provides cutting and grinding tools to the semiconductor industry. The company benefited from the strength in the broader IT sector and growth in areas such as power semiconductors. We believe Disco is well positioned to benefit from growing demand from the artificial intelligence (AI) industry. On the other hand, JD.com, China's leading e-commerce platform company, was one of the top detractors to absolute and relative returns. JD.com has been losing share to Pinduoduo (PDD) as more consumers seek better value for money. Additionally, the company has generated concerns over its growth prospects and has been weighed down by China's muted recovery.

### Notable Portfolio Changes

We have reduced our exposure to China while increasing our exposure to companies based in Japan. China's lack of meaningful stimulus is hurting sentiment and

(continued)

<sup>1</sup> Actual 2023 expense ratios.

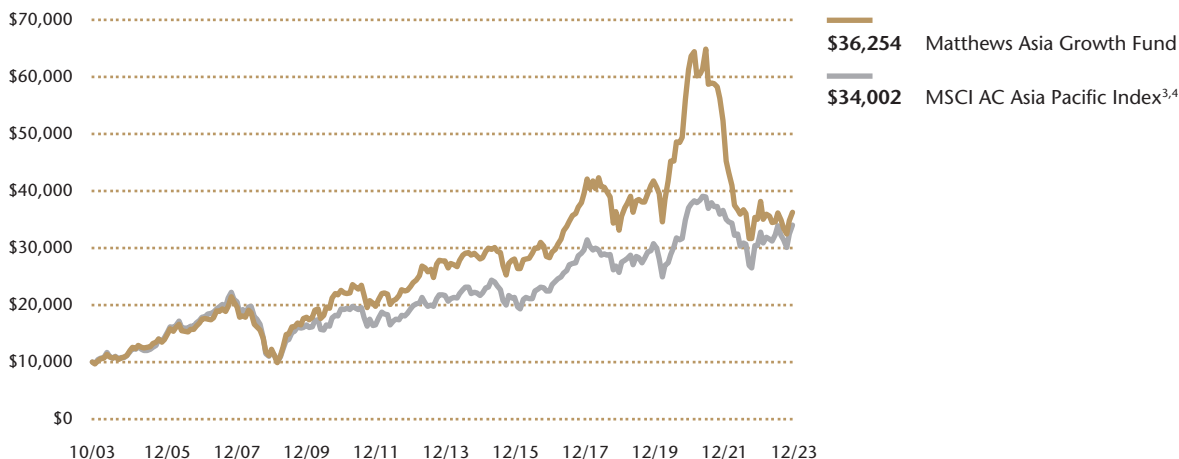
<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	3 Months	1 Year	Average Annual Total Returns			Since Inception	Inception Date
			3 Years	5 Years	10 Years		
Investor Class (MPACX)	8.32%	3.53%	-16.08%	1.82%	2.72%	6.59%	10/31/03
Institutional Class (MIAPX)	8.31%	3.69%	-15.95%	1.98%	2.89%	4.02%	10/29/10
MSCI AC Asia Pacific Index <sup>3</sup>	8.00%	11.81%	-2.82%	5.70%	4.60%	6.26% <sup>4</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. For the Fund's most recent month-end performance, visit [matthewsasia.com](http://matthewsasia.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>3</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

<sup>4</sup> Calculated from 10/31/03.

## TOP TEN HOLDINGS<sup>5</sup>

Name	Sector	Country	% Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	Taiwan	5.6%
Shin-Etsu Chemical Co., Ltd.	Materials	Japan	4.4%
Keyence Corp.	Information Technology	Japan	4.2%
PT Bank Rakyat Indonesia Persero Tbk	Financials	Indonesia	4.1%
Samsung Electronics Co., Ltd.	Information Technology	South Korea	3.6%
Japan Elevator Service Holdings Co., Ltd.	Industrials	Japan	3.6%
Disco Corp.	Information Technology	Japan	3.5%
Bajaj Finance, Ltd.	Financials	India	3.4%
Axis Bank, Ltd.	Financials	India	3.4%
Hitachi, Ltd.	Industrials	Japan	3.1%
<b>% OF ASSETS IN TOP 10</b>			<b>38.9%</b>

<sup>5</sup> Holdings may combine more than one security from same issuer and related depository receipts.

## Matthews Asia Growth Fund

### *Portfolio Manager Commentary (unaudited) (continued)*

the post-COVID recovery has been much slower than expected. Increased regulatory risk in China was another consideration for reducing our exposure to China. In the fourth quarter, we also closed our positions in Chinese health-care companies such as Wuxi Biologics and Hangzhou Tigermed Consulting. Japan's economy is doing well with the influx of tourists as most countries lift their COVID restrictions. We have also narrowed the portfolio's underweight position in South Korea and Taiwan as we believe the two countries will benefit from the expansion of AI. We also increased our exposure to India as we think the country is well positioned since it isn't facing the kind of challenges that China is facing.

#### **Outlook**

Overall we're optimistic for 2024. We pivoted during the last quarter of the year to adjust the country weightings in the portfolio to address on-going evolution in the region. China remains challenging. We believe the government is not making necessary reforms to improve its domestic economy and unless we see a firm change in policies and an improvement in the regulatory environment we will maintain a cautious view on the Chinese equity market.

In contrast, we are optimistic on India. It doesn't have the same issues that have negatively impacted the Chinese market and, in many ways, India has the potential to replicate the success that China has had in the past 20 years. Valuations, however, remain elevated and we will be very selective in picking our investments. Japan overall continues to enjoy several tailwinds including a positive earnings cycle driven by moderate inflation, meaningful wage gains and policy driven reforms which are pushing companies to increase their corporate value via capital efficiencies and shareholder payouts.

More generally, the semiconductor industry is passing the bottom of the cycle and Asia maintains its leading edge when it comes to the foundry and the memory segments which are the backbone of the global industry. The consumer market in Asia also remains the largest and fastest growing market in the world and provides a great foundation for innovation and entrepreneurship to flourish.

COUNTRY ALLOCATION (%) <sup>6,7</sup>	
Japan	36.8
India	18.2
China/Hong Kong	17.1
Taiwan	9.1
South Korea	4.7
Indonesia	4.1
United States	3.1
Australia	2.5
Philippines	1.5
Thailand	1.2
Netherlands	1.2
Cash and other Assets, Less Liabilities	0.5

SECTOR ALLOCATION (%) <sup>7</sup>	
Information Technology	26.3
Consumer Discretionary	23.5
Financials	20.5
Industrials	11.1
Health Care	8.2
Materials	5.8
Communication Services	2.4
Consumer Staples	1.1
Energy	0.5
Cash and other Assets, Less Liabilities	0.5

MARKET CAP EXPOSURE (%) <sup>7</sup>	
Mega Cap (over \$25B)	68.8
Large Cap (\$10B–\$25B)	8.3
Mid Cap (\$3B–10B)	13.5
Small Cap (under \$3B)	8.9
Cash and Other Assets, Less Liabilities	0.5

<sup>6</sup> Not all countries where the Fund may invest are included in the benchmark index.

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 99.5%

	Shares	Value		Shares	Value
<b>JAPAN: 36.8%</b>					
Shin-Etsu Chemical Co., Ltd.	391,700	\$16,382,134			
Keyence Corp.	35,900	15,772,897			
Japan Elevator Service Holdings Co., Ltd.	797,000	13,181,915			
Disco Corp.	52,800	13,039,848			
Hitachi, Ltd.	161,500	11,616,652			
Sumitomo Mitsui Financial Group, Inc.	210,000	10,218,567			
Sony Group Corp.	79,900	7,561,170			
Kyoritsu Maintenance Co., Ltd.	165,500	7,018,803			
SHIFT, Inc. <sup>b</sup>	24,600	6,230,778			
ORIX Corp.	329,800	6,194,035			
Toyota Motor Corp.	309,300	5,667,526			
Daiichi Sankyo Co., Ltd.	202,000	5,530,099			
KeePer Technical Laboratory Co., Ltd.	107,100	5,282,074			
ZOZO, Inc.	215,200	4,856,878			
Recruit Holdings Co., Ltd.	103,600	4,331,634			
giftee, Inc. <sup>b</sup>	282,800	3,629,930			
<b>Total Japan</b>		<b>136,514,940</b>			
<b>INDIA: 18.2%</b>					
Bajaj Finance, Ltd.	145,505	12,803,181			
Axis Bank, Ltd.	943,078	12,481,047			
Mahindra & Mahindra, Ltd.	551,953	11,463,285			
HDFC Bank, Ltd.	558,692	11,439,790			
Zomato, Ltd. <sup>b</sup>	3,041,760	4,514,820			
Sona Blw Precision Forgings, Ltd. <sup>c,d</sup>	563,090	4,358,005			
Godrej Consumer Products, Ltd.	293,758	3,991,841			
Maruti Suzuki India, Ltd.	30,045	3,717,484			
Cummins India, Ltd.	115,894	2,733,720			
<b>Total India</b>		<b>67,503,173</b>			
<b>CHINA/HONG KONG: 17.2%</b>					
PDD Holdings, Inc. ADR <sup>b</sup>	62,798	9,187,975			
AIA Group, Ltd.	862,800	7,508,847			
Innovent Biologics, Inc. <sup>b,c,d</sup>	1,067,500	5,846,123			
Alibaba Group Holding, Ltd.	579,900	5,585,912			
Legend Biotech Corp. ADR <sup>b</sup>	91,369	5,497,673			
Tencent Holdings, Ltd.	136,700	5,161,091			
Contemporary Amperex Technology Co., Ltd. A Shares	169,568	3,885,227			
BeiGene, Ltd. ADR <sup>b</sup>	20,902	3,769,885			
Shenzhen Inovance Technology Co., Ltd. A Shares	421,674	3,738,333			
Meituan Class B <sup>b,c,d</sup>	353,500	3,711,318			
Trip.com Group, Ltd. ADR <sup>b</sup>	82,043	2,954,368			
MINISO Group Holding, Ltd. ADR	137,274	2,800,390			
WuXi XDC Cayman, Inc. <sup>b</sup>	539,676	2,211,645			
Full Truck Alliance Co., Ltd. ADR <sup>b</sup>	269,955	1,892,385			
<b>Total China/Hong Kong</b>		<b>63,751,172</b>			
<b>TAIWAN: 9.1%</b>					
Taiwan Semiconductor Manufacturing Co., Ltd. ADR	102,841	10,695,464			
Taiwan Semiconductor Manufacturing Co., Ltd.	522,000	10,007,550			
Alchip Technologies, Ltd.	49,000	5,206,659			
Unimicron Technology Corp.	674,000	3,850,897			
			Makalot Industrial Co., Ltd.	333,000	\$3,840,555
			<b>Total Taiwan</b>		<b>33,601,125</b>
<b>SOUTH KOREA: 4.7%</b>					
			Samsung Electronics Co., Ltd.	222,749	13,520,160
			SK Hynix, Inc.	34,869	3,805,532
			<b>Total South Korea</b>		<b>17,325,692</b>
<b>INDONESIA: 4.1%</b>					
			PT Bank Rakyat Indonesia Persero Tbk	41,400,600	15,387,273
			<b>Total Indonesia</b>		<b>15,387,273</b>
<b>UNITED STATES: 3.0%</b>					
			NVIDIA Corp.	15,227	7,540,715
			Applied Materials, Inc.	23,343	3,783,200
			<b>Total United States</b>		<b>11,323,915</b>
<b>AUSTRALIA: 2.5%</b>					
			CSL, Ltd.	38,354	7,477,078
			Woodside Energy Group, Ltd.	91,823	1,938,992
			<b>Total Australia</b>		<b>9,416,070</b>
<b>PHILIPPINES: 1.5%</b>					
			Jollibee Foods Corp.	1,255,420	5,697,364
			<b>Total Philippines</b>		<b>5,697,364</b>
<b>THAILAND: 1.2%</b>					
			Central Retail Corp. Public Co., Ltd.	3,747,800	4,458,492
			<b>Total Thailand</b>		<b>4,458,492</b>
<b>NETHERLANDS: 1.2%</b>					
			ASML Holding NV	5,682	4,300,820
			<b>Total Netherlands</b>		<b>4,300,820</b>
			<b>TOTAL INVESTMENTS: 99.5%</b>		<b>369,280,036</b>
			(Cost \$317,906,277)		
			<b>CASH AND OTHER ASSETS, LESS LIABILITIES: 0.5%</b>		<b>1,992,679</b>
			<b>NET ASSETS: 100.0%</b>		<b>\$371,272,715</b>

a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).

b Non-income producing security.

c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$13,915,446, which is 3.75% of net assets.

d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.

ADR American Depositary Receipt

See accompanying notes to financial statements.



## PORTFOLIO MANAGERS

<b>Sean Taylor</b> Lead Manager	<b>Inbok Song</b> Lead Manager
<b>Winnie Chwang</b> Co-Manager	<b>Andrew Mattock, CFA</b> Co-Manager
<b>Peeyush Mittal, CFA</b> Co-Manager	<b>Jeremy Sutch, CFA</b> Co-Manager

## FUND FACTS

	Investor	Institutional
Ticker	MAPTX	MIPTX
CUSIP	577130107	577130834
Inception	9/12/94	10/29/10
NAV	\$18.62	\$18.61
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.12%	0.99%
After Fee Waiver and Reimbursement <sup>2</sup>	1.12%	0.98%

### Portfolio Statistics

Total # of Positions	51
Net Assets	\$1.93 billion
Weighted Average Market Cap	\$144.3 billion
Portfolio Turnover <sup>3</sup>	14.8%

### Benchmark

MSCI AC Asia ex Japan Index

## OBJECTIVE

Long-term capital appreciation.

## STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Asia ex Japan, which consists of all countries and markets in Asia excluding Japan, but including all other developed, emerging and frontier countries and markets in the Asian region.

# Matthews Pacific Tiger Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews Pacific Tiger Fund returned -4.87% (Investor Class) and -4.75% (Institutional Class), while its benchmark, the MSCI All Country Asia ex Japan Index, returned 6.34% over the same period. For the fourth quarter, the Fund returned 1.85% (Investor Class) and 1.87% (Institutional Class), while the benchmark returned 6.48%.

### Market Environment

The environment in 2023 was challenging especially for China. The market in China started with the hope of a strong recovery in the economy. This turned out to be short lived, leading to an adverse backdrop for the rest of the year. Earnings in the China universe adjusted down sequentially during 2023 and together with a challenging external environment, geopolitical tensions and slow policy reactions, this led to a valuation derating in China's equity market. Elsewhere in the region, India was a strong performer, benefiting from domestic capital flows and sustained earnings delivery after reopening from pandemic lockdowns. Earnings delivery was widespread across several sectors such as financials, consumers and industrials. Though the South Korea and Taiwan markets started with concern over the demand environment and inventory digestion cycle, the technology heavy sectors in both countries performed well with the emergence of secular growth drivers such as data, artificial intelligence (AI) and batteries for electric vehicles (EVs). Therefore, those sectors in the two countries experienced a valuation re-rating.

### Performance Contributors and Detractors

At the country level, stock selection in China/Hong Kong detracted the most from total and relative returns in 2023. China's economic recovery has been weaker-than-expected and this resulted in earnings downgrades across sectors, especially consumer and industrials. Consequently, consumer discretionary stocks were derated followed by consumer staples, both of which affected the portfolio's stock selection negatively. Stock selection in India and the Philippines also detracted from relative performance. At the sector level, stock selection in consumer discretionary was the largest detractor to relative returns while an overweight and stock selection in consumer staples as well as stock selection in industrials also detracted. On the other hand, stock selection in Taiwan and Indonesia contributed the most to relative returns for the year. At the sector level, information technology (IT) contributed the most to the Fund's total return for the year.

Among individual holdings, JD.com, China's leading e-commerce platform company, and pharmaceutical company Wuxi Biologics were notable detractors. Weak consumer sentiment as well as increasing competition in the e-commerce industry slowed down JD's sales growth meaningfully. While the company achieved good cost controls leading to faster earnings growth, its slower revenue growth materially dragged valuation multiples down. Wuxi Biologics, which provides contract development and manufacturing services, experienced a slowdown of its earnings growth due to insufficient COVID-related manufacturing as well as slower development projects from the tight biotechnology funding environment.

Conversely, Accton Technology, a networking equipment provider in Taiwan, and Titan Company, India's leading jeweler, were two notable contributors to the

(continued)

<sup>1</sup> Actual 2023 expense ratios.

<sup>2</sup> Matthews has contractually agreed to waive a portion of its advisory fee and administrative and shareholder services fee if the Fund's average daily net assets are over \$3 billion, as follows: for every \$2.5 billion average daily net assets of the Fund that are over \$3 billion, the advisory fee rate and the administrative and shareholder services fee rate for the Fund with respect to such excess average daily net assets will be each reduced by 0.01%, in each case without reducing such fee rate below 0.00%. Any amount waived by Matthews pursuant to this agreement may not be recouped by Matthews. This agreement will remain in place until April 30, 2025 and may be terminated (i) at any time by the Board of Trustees upon 60 days' prior written notice to Matthews; or (ii) by Matthews at the annual expiration date of the agreement upon 60 days' prior written notice to the Trust, in each case without payment of any penalty.

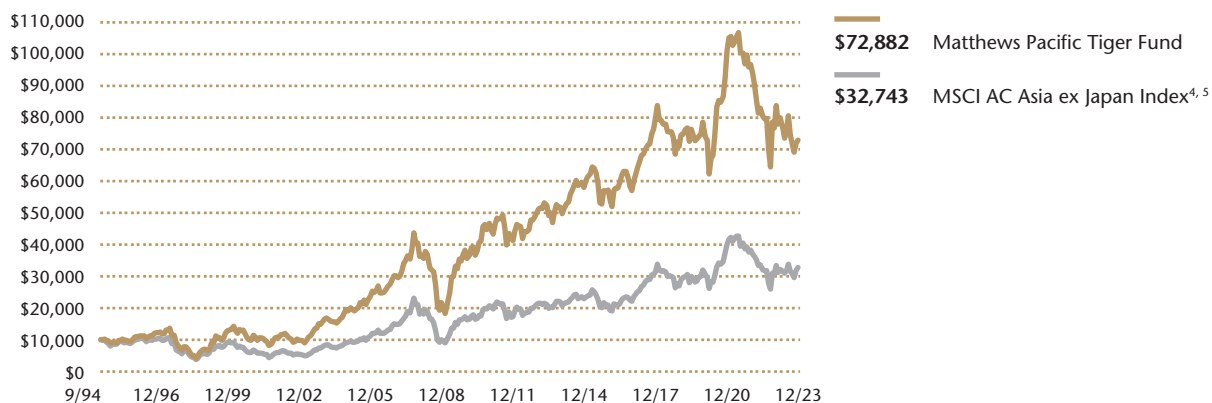
<sup>3</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns						Inception Date
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception	
Investor Class (MAPTX)	1.85%	-4.87%	-10.34%	0.56%	3.49%	7.01%	9/12/94
Institutional Class (MIPTX)	1.87%	-4.75%	-10.22%	0.69%	3.65%	3.67%	10/29/10
MSCI AC Asia ex Japan Index <sup>4</sup>	6.48%	6.34%	-6.43%	4.01%	4.17%	4.13% <sup>5</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance, visit [matthewsasias.com](http://matthewsasias.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>4</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

<sup>5</sup> Calculated from 8/31/94.

## TOP TEN HOLDINGS<sup>6</sup>

Name	Sector	Country	% Net Assets
Samsung Electronics Co., Ltd.	Information Technology	South Korea	9.2%
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	Taiwan	9.1%
Tencent Holdings, Ltd.	Communication Services	China/Hong Kong	5.2%
ICICI Bank, Ltd.	Financials	India	3.6%
Central Pattana Public Co., Ltd.	Real Estate	Thailand	3.4%
Titan Co., Ltd.	Consumer Discretionary	India	3.2%
HDFC Bank, Ltd.	Financials	India	3.0%
Alibaba Group Holding, Ltd.	Consumer Discretionary	China/Hong Kong	2.9%
Tata Consultancy Services, Ltd.	Information Technology	India	2.9%
PT Bank Central Asia Tbk	Financials	Indonesia	2.8%
<b>% OF ASSETS IN TOP 10</b>			<b>45.3%</b>

<sup>6</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

# Matthews Pacific Tiger Fund

## *Portfolio Manager Commentary* (unaudited) (continued)

Fund's overall performance. As supply disruption normalized into 2023, Accton Technology started to deliver its orders on schedule. Additionally, demand for its service has been robust due to customer's datacenter upgrades. Titan Company continued to deliver resilient earnings growth and brand value, a reflection of the robust consumption environment in India. While Titan's valuation has been at the high end of the range compared to other consumer companies in India, its category expansion and consistent execution has provided strong earnings visibility.

### **Notable Portfolio Changes**

We continue to seek to capture the growing investment opportunities in Asia while assessing risks, especially when they are reflected in valuations. We added new positions from India given the country's growth prospects remain robust and more structural, leading to broader investment opportunities. Tata Consumer Products, a leading beverage-focused fast-moving consumer goods company, is a good example of the increasing demand for premium products in India. We also added Taiwanese company ASE Technology, a globally leading back-end packing supplier, as secular demand for AI and data processing-related semiconductors continue to require high-end manufacturing.

### **Outlook**

Ambiguities remain in the outlook for the global economy including Asian countries. China continues to deal with challenges in its property market and weak consumer sentiment. South Korea and Taiwan are going through the uncertainties of global demand and the inventory digestion cycle. In India, a long-subdued CapEx cycle has restarted, and overall consumer demand has recovered though there are still urban and rural consumer divergences. At the global macro level, the U.S. Federal Reserve's interest rate policy remains on an uncertain path and related changes in market expectations are causing volatility in equities.

However, Asia ex Japan valuations are favorably positioned at around 12 x FY24 earnings with EPS growth expected to be over 19% for the year. While earnings downgrade risks remain, we believe that, fundamentally, the Asia ex Japan region has many companies with earnings generation power. We continue to focus on keeping the portfolio invested in companies demonstrating durable earnings growth combined with reasonable valuations in this uncertain environment.

### **COUNTRY ALLOCATION (%)<sup>7,8</sup>**

China/Hong Kong	35.0
India	20.2
Taiwan	18.9
South Korea	14.3
Thailand	3.4
Vietnam	3.4
Indonesia	2.8
Philippines	2.1
Singapore	1.5
Liabilities in Excess of Cash and Other Assets	-1.7

### **SECTOR ALLOCATION (%)<sup>8</sup>**

Information Technology	29.2
Financials	18.5
Consumer Discretionary	11.3
Communication Services	9.9
Consumer Staples	9.5
Real Estate	9.2
Industrials	6.1
Materials	3.5
Utilities	2.8
Health Care	1.8
Liabilities in Excess of Cash and Other Assets	-1.7

### **MARKET CAP EXPOSURE (%)<sup>8</sup>**

Mega Cap (over \$25B)	64.5
Large Cap (\$10B-\$25B)	17.6
Mid Cap (\$3B-10B)	19.6
Small Cap (under \$3B)	
Liabilities in Excess of Cash and Other Assets	-1.7

<sup>7</sup> Not all countries where the Fund may invest are included in the benchmark index.

<sup>8</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 101.7%

	Shares	Value
<b>CHINA/HONG KONG: 35.1%</b>		
Tencent Holdings, Ltd.	2,667,200	\$100,699,798
Alibaba Group Holding, Ltd.	5,902,400	56,855,120
Kweichow Moutai Co., Ltd. A Shares	201,173	48,740,083
CITIC Securities Co., Ltd. H Shares	21,783,100	44,505,823
KE Holdings, Inc. ADR	2,700,419	43,773,792
AIA Group, Ltd.	4,553,400	39,627,705
Shenzhen Inovance Technology Co., Ltd. A Shares	3,935,185	34,887,221
Shenzhen Mindray Bio-Medical Electronics Co., Ltd. A Shares	830,320	33,887,307
Hong Kong Exchanges & Clearing, Ltd.	884,800	30,348,869
Yum China Holdings, Inc.	710,222	30,134,719
China Resources Beer Holdings Co., Ltd.	6,727,775	29,521,111
China Resources Mixc Lifestyle Services, Ltd. <sup>b,c</sup>	7,767,030	27,702,430
Will Semiconductor Co., Ltd. Shanghai A Shares	1,390,672	20,824,661
ENN Energy Holdings, Ltd.	2,521,600	18,620,623
Contemporary Amperex Technology Co., Ltd. A Shares	789,579	18,091,230
Shandong Sinocera Functional Material Co., Ltd. A Shares	5,187,828	16,832,713
Kuaishou Technology <sup>b,c,d</sup>	2,306,700	15,695,305
Meituan Class B <sup>b,c,d</sup>	1,466,960	15,401,288
Tencent Music Entertainment Group ADR <sup>d</sup>	1,699,698	15,314,279
Kanzhun, Ltd. ADR	914,747	15,193,948
China Tourism Group Duty Free Corp., Ltd. A Shares	1,225,473	14,397,697
StarPower Semiconductor, Ltd. A Shares	213,489	5,445,707
WuXi XDC Cayman, Inc. <sup>d</sup>	12,289	50,362
<b>Total China/Hong Kong</b>		<b>676,551,791</b>
<b>INDIA: 20.2%</b>		
ICICI Bank, Ltd.	5,872,793	70,178,693
Titan Co., Ltd.	1,399,682	61,777,762
HDFC Bank, Ltd.	2,870,830	58,783,177
Tata Consultancy Services, Ltd.	1,240,154	56,481,448
Pidilite Industries, Ltd.	1,546,251	50,423,388
Tata Power Co., Ltd.	8,868,941	35,364,842
Ashok Leyland, Ltd.	13,904,624	30,314,517
Mahindra & Mahindra, Ltd.	749,511	15,566,286
Tata Consumer Products, Ltd.	800,575	10,450,473
<b>Total India</b>		<b>389,340,586</b>
<b>TAIWAN: 18.9%</b>		
Taiwan Semiconductor Manufacturing Co., Ltd.	9,123,000	174,902,065
E Ink Holdings, Inc.	4,799,000	30,728,174
Chalease Holding Co., Ltd.	4,783,982	30,061,332
MediaTek, Inc.	874,000	28,859,395
Eclat Textile Co., Ltd.	1,353,000	24,726,116
Delta Electronics, Inc.	2,387,182	24,345,511
Uni-President Enterprises Corp.	9,367,000	22,725,585
Accton Technology Corp.	1,275,000	21,670,912
ASE Technology Holding Co., Ltd.	1,452,000	6,363,011
<b>Total Taiwan</b>		<b>364,382,101</b>

	Shares	Value
<b>SOUTH KOREA: 14.3%</b>		
Samsung Electronics Co., Ltd.	2,913,546	\$176,843,039
NAVER Corp.	254,711	44,070,192
Samsung Engineering Co., Ltd. <sup>d</sup>	1,525,476	34,172,613
Orion Corp.	240,146	21,550,732
<b>Total South Korea</b>		<b>276,636,576</b>
<b>VIETNAM: 3.4%</b>		
Vietnam Dairy Products JSC	17,993,828	50,092,730
FPT Corp.	4,074,142	16,124,471
<b>Total Vietnam</b>		<b>66,217,201</b>
<b>THAILAND: 3.4%</b>		
Central Pattana Public Co., Ltd.	31,962,500	64,907,821
<b>Total Thailand</b>		<b>64,907,821</b>
<b>INDONESIA: 2.8%</b>		
PT Bank Central Asia Tbk	87,962,700	53,718,788
<b>Total Indonesia</b>		<b>53,718,788</b>
<b>PHILIPPINES: 2.1%</b>		
SM Prime Holdings, Inc.	67,960,971	40,377,714
<b>Total Philippines</b>		<b>40,377,714</b>
<b>SINGAPORE: 1.5%</b>		
DBS Group Holdings, Ltd.	1,168,600	29,552,529
<b>Total Singapore</b>		<b>29,552,529</b>
<b>TOTAL INVESTMENTS: 101.7%</b>		<b>1,961,685,107</b>
(Cost \$1,707,589,755)		

**LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS: (1.7%)** **(32,651,425)**

**NET ASSETS: 100.0%** **\$1,929,033,682**

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
  - b Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$58,799,023, which is 3.05% of net assets.
  - c The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
  - d Non-income producing security.
- ADR American Depositary Receipt  
JSC Joint Stock Co.

See accompanying notes to financial statements.





## PORTFOLIO MANAGERS

**Michael J. Oh, CFA**

Lead Manager

**Inbok Song**

Co-Manager

## FUND FACTS

	Investor	Institutional
Ticker	MATFX	MITEX
CUSIP	577130883	577125859
Inception	12/27/99	4/30/13
NAV	\$11.11	\$11.28
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.15%	1.02%

### Portfolio Statistics

Total # of Positions	49
Net Assets	\$313.0 million
Weighted Average Market Cap	\$187.8 billion
Portfolio Turnover <sup>2</sup>	248.2%

### Benchmark

MSCI AC Asia ex Japan Index

## OBJECTIVE

Long-term capital appreciation.

## STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Asia ex Japan that Matthews believes are innovators in their products, services, processes, business models, management, use of technology, or approach to creating, expanding or servicing their markets. Asia ex Japan consists of all countries and markets in Asia excluding Japan, but including developed, emerging, and frontier countries and markets in the Asian region.

# Matthews Asia Innovators Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews Asia Innovators Fund returned -1.77% (Investor Class) and -1.62% (Institutional Class), while its benchmark, the MSCI All Country Asia ex Japan Index, returned 6.34% over the same period. For the fourth quarter, the Fund returned 6.12% (Investor Class) and 6.14% (Institutional Class), while the benchmark returned 6.48%.

### Market Environment

2023 was challenging on many levels for Asia equity markets. At the macro level, rising interest rates and a strong U.S. dollar were headwinds for the region. Growth companies were out of favor while value companies relatively outperformed. Geopolitical tensions between the U.S. and China also remained elevated, particularly in the first half, and we expect these tensions to continue. The most notable feature, however, was the prolonged weakness of the Chinese economy. The rapid post-COVID recovery that many investors expected didn't materialize and the country instead struggled with a lack of confidence and problems in specific sectors like real estate. Mitigating China's woes somewhat was India's continued resilient growth, supported in part by its domestic infrastructure programs and increasing global trade. Information technology (IT) was the largest contributor to returns in the region, while communication services was among the laggards. Toward the end of the year, there was a general consensus that inflation had peaked in the global economy and that the U.S. Federal Reserve would pivot toward cutting rates in 2024 and the dollar would weaken. This provided some tailwinds across the region in the final quarter of 2023.

### Performance Contributors and Detractors

Regionally, our overweight and stock selection in China/Hong Kong was the biggest detractor to relative and total returns in 2023. Our exposure was hurt by the much slower-than-expected recovery in China, international concerns over geopolitical risks, and regulatory uncertainties related to technology companies. Stock selection in India and South Korea also detracted from returns, as did an underweight in Taiwan, which rallied last year. On the other hand, an off-benchmark allocation to the U.S. contributed the most to relative returns. We invest in companies that are generating more than 50% of their revenue from Asia but are not necessarily based in Asia. An underweight to Thailand and lack of exposure to Malaysia also contributed.

At the sector level, stock selections in communication services and health care were the biggest detractors from relative returns. In contrast, stock selection in real estate was the top contributor; a lack of exposure to utilities and materials, and an overweight in IT also contributed.

On a company basis, Alchip was the biggest contributor to relative returns last year. The Taiwan-based provider of silicon designs and manufacturing services for the chip industry is well positioned, we believe, to benefit from on-going developments in the artificial intelligence (AI) industry. PDD Holdings, operator of the Pinduoduo ecommerce app, was another big contributor to total and relative returns. PDD has been gaining market share in China and its overseas unit, Temu, has been growing rapidly.

Ecommerce giant Alibaba was the biggest detractor to returns and Kuaishou Technology, a video-sharing platform, also detracted. Alibaba's topline growth slowed

(continued)

<sup>1</sup> Actual 2023 expense ratios.

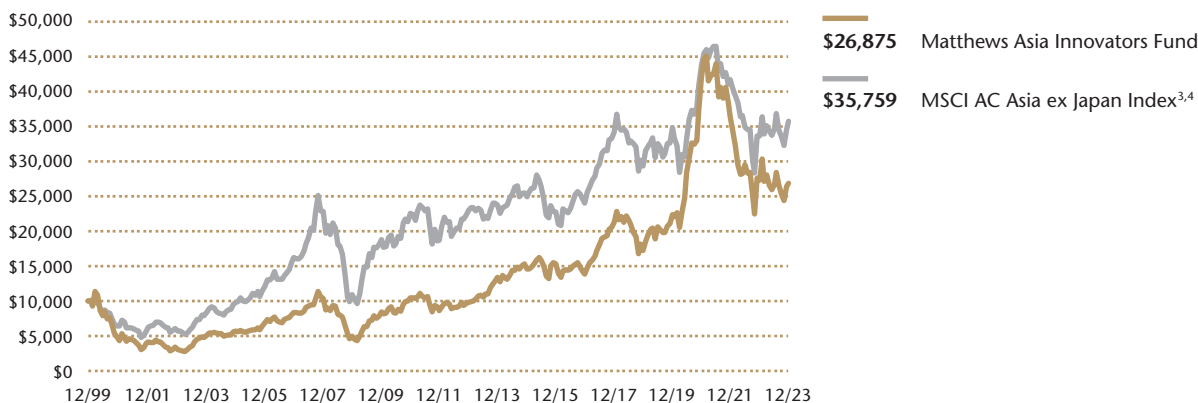
<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns						Inception Date
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception	
Investor Class (MATFX)	6.12%	-1.77%	-13.74%	9.21%	7.20%	4.20%	12/27/99
Institutional Class (MITEX)	6.14%	-1.62%	-13.62%	9.35%	7.39%	9.17%	4/30/13
MSCI AC Asia ex Japan Index <sup>3</sup>	6.48%	6.34%	-6.43%	4.01%	4.17%	5.45% <sup>4</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. For the Fund's most recent month-end performance, visit [matthewsasia.com](http://matthewsasia.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>3</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

<sup>4</sup> Calculated from 12/31/99.

## TOP TEN HOLDINGS<sup>5</sup>

Name	Sector	Country	% Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	Taiwan	9.0%
Samsung Electronics Co., Ltd.	Information Technology	South Korea	7.5%
PDD Holdings, Inc.	Consumer Discretionary	China/Hong Kong	7.2%
PT Bank Rakyat Indonesia Persero Tbk	Financials	Indonesia	3.5%
NVIDIA Corp.	Information Technology	United States	3.5%
ICICI Bank, Ltd.	Financials	India	3.5%
Axis Bank, Ltd.	Financials	India	3.4%
SK Hynix, Inc.	Information Technology	South Korea	3.2%
Reliance Industries, Ltd.	Energy	India	3.2%
Zomato, Ltd.	Consumer Discretionary	India	3.0%
<b>% OF ASSETS IN TOP 10</b>			<b>47.0%</b>

<sup>5</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

## Matthews Asia Innovators Fund

### *Portfolio Manager Commentary (unaudited) (continued)*

in 2023 and it lost market share to competitors. Kuaishou's fundamentals are still sound in our view, but the stock has suffered amid ongoing uncertainties around China's regulatory environment.

#### **Notable Portfolio Changes**

We reduced our China exposure in the portfolio in the last quarter as we feel the opportunity set has shrunk due to higher regulatory risks, a persisting weak domestic economy and soft consumer sentiment. Among our exits were Alibaba, digital services platform Baidu, video platform Bilibili and Kuaishou Technology. On the other hand, we added Godrej Consumer Products, an India-based consumer staples company, and Shenzhen-based BYD Company, the world's largest maker of electric vehicles (EVs). In India, consumer staples is one area that will continue to see stable growth going forward, in our view, and Godrej Consumer Products is well positioned to benefit. BYD surpassed the EV market share of Tesla in the last quarter. We are focusing on Chinese companies with competitive international business models and BYD fits into this strategy well.

#### **Outlook**

Overall we're optimistic for 2024. We pivoted during the last quarter of the year to adjust the country weightings in the portfolio to address the on-going evolution in the region. China remains challenging. We believe the government is not making necessary reforms to improve its domestic economy and unless we see a firm change in policies and an improvement in the regulatory environment we will maintain a cautious view on the Chinese equity market.

In contrast, we are optimistic on India. It doesn't have the same issues that have negatively impacted the Chinese market and, in many ways, India has the potential to replicate the success that China has had in the past 20 years. Valuations, however, remain elevated and we will be very selective in picking our investments.

More generally, the semiconductor industry is passing the bottom of the cycle and Asia maintains its leading edge when it comes to the foundry and the memory segments, which are the backbone of the global industry. The consumer market in Asia also remains the largest and fastest growing market in the world and provides a great foundation for innovation and entrepreneurship to flourish.

#### **COUNTRY ALLOCATION (%)<sup>6,7</sup>**

China/Hong Kong	32.9
India	25.6
Taiwan	14.9
South Korea	14.0
United States	5.0
Indonesia	3.5
Netherlands	1.9
Brazil	1.1
Cash and other Assets, Less Liabilities	1.1

#### **SECTOR ALLOCATION (%)<sup>7</sup>**

Information Technology	33.0
Consumer Discretionary	25.7
Financials	18.5
Industrials	7.2
Communication Services	5.9
Energy	3.2
Health Care	3.1
Consumer Staples	1.2
Real Estate	1.0
Cash and other Assets, Less Liabilities	1.1

#### **MARKET CAP EXPOSURE (%)<sup>7</sup>**

Mega Cap (over \$25B)	72.8
Large Cap (\$10B–\$25B)	14.3
Mid Cap (\$3B–10B)	11.7
Small Cap (under \$3B)	0.1
Cash and Other Assets, Less Liabilities	1.1

<sup>6</sup> Not all countries are included in the benchmark index.

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 98.9%

	Shares	Value
<b>CHINA/HONG KONG: 32.9%</b>		
PDD Holdings, Inc. ADR <sup>b</sup>	155,004	\$22,678,635
Alibaba Group Holding, Ltd.	917,000	8,833,042
AIA Group, Ltd.	792,000	6,892,683
Tencent Holdings, Ltd.	154,500	5,833,128
WuXi AppTec Co., Ltd. A Shares	471,400	4,814,941
Trip.com Group, Ltd. ADR <sup>b</sup>	133,639	4,812,341
Shenzhen Mindray Bio-Medical Electronics Co., Ltd. A Shares	117,328	4,788,431
Meituan Class B <sup>b,c,d</sup>	449,300	4,717,101
Full Truck Alliance Co., Ltd. ADR <sup>b</sup>	664,890	4,660,879
Contemporary Amperex Technology Co., Ltd. A Shares	183,100	4,195,279
Shenzhen Inovance Technology Co., Ltd. A Shares	430,000	3,812,147
Kanzhun, Ltd. ADR	226,487	3,761,949
BYD Co., Ltd. H Shares	131,000	3,613,587
Zhejiang Shuanghuan Driveline Co., Ltd. A Shares	914,900	3,336,565
KE Holdings, Inc. ADR	201,439	3,265,326
MINISO Group Holding, Ltd. ADR	155,252	3,167,141
DiDi Global, Inc. <sup>b</sup>	774,388	3,058,833
New Oriental Education & Technology Group, Inc. ADR <sup>b</sup>	35,701	2,616,169
Tencent Music Entertainment Group ADR <sup>b</sup>	270,825	2,440,133
NAURA Technology Group Co., Ltd. A Shares	46,900	1,616,290
<b>Total China/Hong Kong</b>		<b>102,914,600</b>
<b>INDIA: 25.6%</b>		
ICICI Bank, Ltd.	909,122	10,863,825
Axis Bank, Ltd.	814,635	10,781,185
Reliance Industries, Ltd.	320,400	9,944,560
Zomato, Ltd. <sup>b</sup>	6,226,264	9,241,512
HDFC Bank, Ltd.	428,477	8,773,504
Mahindra & Mahindra, Ltd.	315,719	6,557,038
Godrej Consumer Products, Ltd.	286,053	3,887,139
Indian Hotels Co., Ltd.	729,573	3,841,222
ABB India, Ltd.	65,965	3,704,626
Titan Co., Ltd.	72,670	3,207,436
HDFC Life Insurance Co., Ltd. <sup>c,d</sup>	398,948	3,099,884
Bajaj Finance, Ltd.	35,149	3,092,808
Cummins India, Ltd.	128,023	3,019,820
<b>Total India</b>		<b>80,014,559</b>
<b>TAIWAN: 14.9%</b>		
Taiwan Semiconductor Manufacturing Co., Ltd.	1,475,000	28,278,038
Alchip Technologies, Ltd.	63,000	6,694,275
Accton Technology Corp.	202,000	3,433,352
Wiwynn Corp.	53,000	3,138,158
Unimicron Technology Corp.	543,000	3,102,429
Lotes Co., Ltd.	46,000	1,599,579
M31 Technology Corp.	11,000	378,679
<b>Total Taiwan</b>		<b>46,624,510</b>

	Shares	Value
<b>SOUTH KOREA: 14.0%</b>		
Samsung Electronics Co., Ltd.	388,845	\$23,601,663
SK Hynix, Inc.	91,559	9,992,563
NAVER Corp.	37,375	6,466,636
Kia Corp.	47,307	3,658,407
<b>Total South Korea</b>		<b>43,719,269</b>
<b>UNITED STATES: 5.0%</b>		
NVIDIA Corp.	22,216	11,001,808
Applied Materials, Inc.	28,859	4,677,178
<b>Total United States</b>		<b>15,678,986</b>
<b>INDONESIA: 3.5%</b>		
PT Bank Rakyat Indonesia Persero Tbk	29,714,700	11,044,000
<b>Total Indonesia</b>		<b>11,044,000</b>
<b>NETHERLANDS: 1.9%</b>		
ASML Holding NV	7,796	5,900,948
<b>Total Netherlands</b>		<b>5,900,948</b>
<b>BRAZIL: 1.1%</b>		
NU Holdings, Ltd. Class A <sup>b</sup>	416,562	3,469,961
<b>Total Brazil</b>		<b>3,469,961</b>
<b>TOTAL INVESTMENTS: 98.9%</b>		<b>309,366,833</b>
(Cost \$277,207,603)		
<b>CASH AND OTHER ASSETS, LESS LIABILITIES: 1.1%</b>		<b>3,585,973</b>
<b>NET ASSETS: 100.0%</b>		<b>\$312,952,806</b>

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
  - b Non-income producing security.
  - c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$7,816,985, which is 2.50% of net assets.
  - d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- ADR American Depositary Receipt

See accompanying notes to financial statements.



## PORTFOLIO MANAGERS

### Andrew Mattock, CFA

Lead Manager

### Winnie Chwang

Co-Manager

### Sherwood Zhang, CFA

Co-Manager

## FUND FACTS

	Investor	Institutional
Ticker	MCHFX	MICFX
CUSIP	577130701	577130818
Inception	2/19/98	10/29/10
NAV	\$11.62	\$11.60
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.15%	1.01%

### Portfolio Statistics

Total # of Positions	51
Net Assets	\$448.5 million
Weighted Average Market Cap	\$100.0 billion
Portfolio Turnover <sup>2</sup>	49.6%

### Benchmarks

MSCI China Index

MSCI China All Shares Index

## OBJECTIVE

Long-term capital appreciation.

## STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in China. China includes its administrative and other districts, such as Hong Kong.

# Matthews China Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews China Fund returned -19.22% (Investor Class) and -19.11% (Institutional Class), while its benchmark, the MSCI China Index, returned -11.04% over the same period. For the fourth quarter, the Fund returned -5.16% (Investor Class) and -5.16% (Institutional Class), while the benchmark returned -4.21%.

### Market Environment

2023 was a disappointing year for Chinese equities and the Chinese economy overall. It's disappointing, in our view, not just in the sense of the underwhelming recovery of Chinese consumer spending post-COVID lockdowns but also due to the lack of any significant stimulus measures by the government. While the government started to gradually loosen nearly all property purchase-restrictions across most cities in China, the expectations of potential home buyers regarding future house prices and their own income levels have changed. As a result, these policy changes have barely helped to arrest the slump in the real estate market. As the year progressed, investors gradually gave up on the idea that the Chinese central government would step in to engineer a stronger consumption rebound.

The challenging real estate market and the soft consumption environment create a potential formula for deflation, in our view. From what we can see, many entrepreneurs, whose animal spirits were curbed during the COVID period, are now hesitating to start any new investments in this environment. From a geopolitical standpoint, the highly anticipated Biden-Xi summit in San Francisco in November didn't curb the ongoing concerns of international investors.

In terms of markets, quarterly results of leading Chinese companies, especially large-cap technology firms, seem to be hinting toward upward surprises in terms of topline revenue and earnings. During the last quarter of the year, information technology (IT) and utilities were the only positive sectors while real estate was weakest followed by consumer staples and communication services. Chinese small and mid caps ended lower but outperformed weak large and mega caps during the quarter.

### Performance Contributors and Detractors

From a sector perspective, our lack of exposure to materials and stock selection within IT and consumer staples contributed the most to relative performance in 2023. Among individual holdings, the top stock performer was Pinduoduo (PDD), one of China's largest e-commerce platforms that started its businesses with a focus on lower-tier city, price sensitive consumers directly through its interactive shopping experience. PDD delivered strong results during the year in what has been a weaker e-commerce market in China. Gross merchandise value (GMV) growth and monetization for PDD has remained on track. PDD's strong execution continues to make it a standout in its peer group.

Tencent Music Entertainment Group, the largest music streaming service entity in China, was another outperformer. We think the market is coming to terms with the steady decline of its social entertainment business being offset by what is a growing willingness of consumers to pay for music streaming services. Music services in China have an opportunity to realize higher profitability than global peers such as Spotify, in our view, because the top labels in China account for a smaller share of music streaming traffic and therefore don't have as much bargaining power in China as they do in the West.

(continued)

<sup>1</sup> Actual 2023 expense ratios.

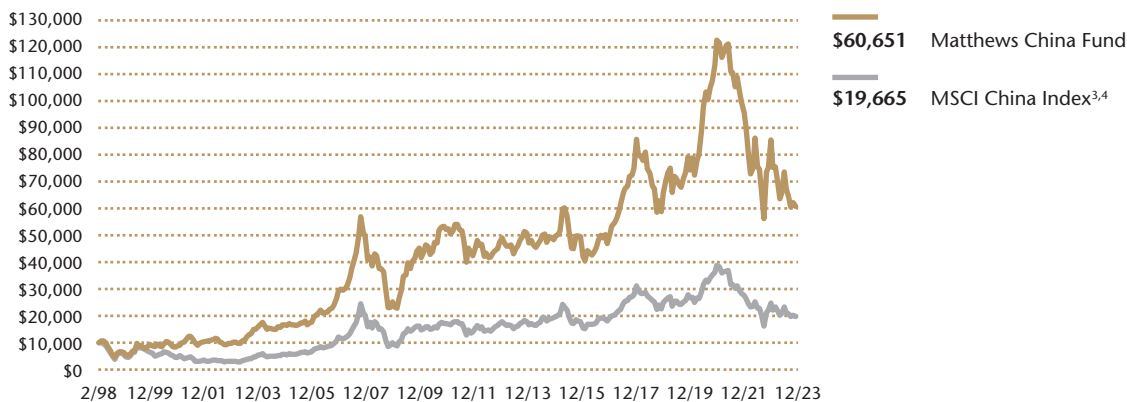
<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns						Inception Date
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception	
Investor Class (MCHF)	-5.16%	-19.22%	-18.78%	0.62%	1.83%	7.22%	2/19/98
Institutional Class (MICFX)	-5.16%	-19.11%	-18.65%	0.79%	1.99%	1.19%	10/29/10
MSCI China Index <sup>3</sup>	-4.21%	-11.04%	-18.31%	-2.65%	1.03%	2.65% <sup>4</sup>	
MSCI China All Shares Index <sup>3</sup>	-3.81%	-11.35%	-16.05%	0.21%	n.a. <sup>5</sup>	n.a. <sup>5</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. For the Fund's most recent month-end performance, visit [matthewsasia.com](http://matthewsasia.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>3</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

<sup>4</sup> Calculated from 2/28/98.

<sup>5</sup> Index launched on 6/26/14.

## TOP TEN HOLDINGS<sup>6</sup>

Name	Sector	% Net Assets
Tencent Holdings, Ltd.	Communication Services	9.0%
Alibaba Group Holding, Ltd.	Consumer Discretionary	8.7%
PDD Holdings, Inc.	Consumer Discretionary	6.7%
JD.com, Inc.	Consumer Discretionary	4.7%
China Merchants Bank Co., Ltd.	Financials	4.3%
Meituan Class B	Consumer Discretionary	4.3%
KE Holdings, Inc.	Real Estate	3.9%
China International Capital Corp., Ltd.	Financials	3.7%
CITIC Securities Co., Ltd.	Financials	3.5%
Shenzhen Mindray Bio-Medical Electronics Co., Ltd.	Health Care	2.2%
<b>% OF ASSETS IN TOP 10</b>		<b>51.0%</b>

<sup>6</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

## Matthews China Fund

### *Portfolio Manager Commentary (unaudited) (continued)*

On the other hand, stock selection in real estate, consumer discretionary and financials detracted from performance for the year. Turning to individual holdings, property developer CIFI Holdings was among the biggest detractors to relative performance. CIFI's stock only resumed trading at the end of September after a long suspension and its negative share price performance had an accumulated impact over the time it was suspended. China's largest food delivery service and internet platform company Meituan, a well-held name in global portfolios, also detracted as a risk-off appetite toward China led to a selloff. JD.com was the biggest detractor during the year. The e-commerce platform has generated concerns over its growth prospects and has been weighed down by China's muted recovery. While internet platform companies' valuations have pulled back considerably, we believe they largely remain profitable and scale-oriented businesses. We continue to be overweight in consumer discretionary, led by an exposure in platform companies which we feel are very cheap and continue to deliver earnings improvement.

#### **Notable Portfolio Changes**

We streamlined the number of positions in the portfolio from 64 to 51 over the course of the year. Our overall exposure in mainland-listed companies has been reduced from around 38% in Dec. 2022 to 28% at the end of the year. Many smaller A-shares positions that were more expensive were exited from the portfolio as cheaper valuations, given the pull back, enabled us to build more into better quality holdings. In the more recent quarters, we have incrementally added to our positions in certain communication services names such as Tencent Music and social platform company Kuaishou Technology (driven by low valuations as well as increased willingness among consumers to spend and pay for online services). We've also added to consumer names such as Yum China and Tsingtao Brewery (driven by the pull back of these names leading to attractive valuations for what are still renowned brands in China).

#### **Outlook**

2023 has been generally a challenging year for China. Despite the lifting of COVID restrictions in the country, the government's lack of stimulus generally led to weakening economic support. At the same time, property market woes continued, impacting sentiment and business confidence in the country. While more supportive measures have been rolled out later in the year to address property market concerns, a meaningful inflection remains to be seen.

Looking ahead, we are cautiously looking for a stabilization of the deterioration in property markets. While we do not expect a significant warming of geo-politics, the ongoing current status quo of a more constructive post-APEC posturing would be welcomed by the market. Valuations continued to trend down in 2023, and the broader China market hovers around similar levels as 2009 despite better quality businesses and earnings profile. We continue to believe that patience is needed in these market environments and, that it could ultimately pay off if the market turns. We intend to stick to our knitting and aim to deliver consistent growth-at-a reasonable price strategy for our clients.

#### **COUNTRY ALLOCATION (%)<sup>7</sup>**

China/Hong Kong	102.2
Liabilities in Excess of Cash and Other Assets	-2.3

#### **SECTOR ALLOCATION (%)<sup>7</sup>**

Consumer Discretionary	36.5
Financials	18.0
Communication Services	15.3
Consumer Staples	7.1
Industrials	6.7
Real Estate	6.0
Information Technology	5.2
Health Care	4.9
Energy	1.9
Utilities	0.7
Liabilities in Excess of Cash and Other Assets	-2.3

#### **MARKET CAP EXPOSURE (%)<sup>7</sup>**

Mega Cap (over \$25B)	64.8
Large Cap (\$10B-\$25B)	24.6
Mid Cap (\$3B-10B)	7.7
Small Cap (under \$3B)	5.1
Liabilities in Excess of Cash and Other Assets	-2.3

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 102.3%

	Shares	Value
<b>CONSUMER DISCRETIONARY: 36.5%</b>		
<b>Broadline Retail: 20.1%</b>		
Alibaba Group Holding, Ltd.	4,045,500	\$38,968,452
PDD Holdings, Inc. ADR <sup>b</sup>	205,327	30,041,393
JD.com, Inc. Class A	1,462,063	21,116,709
		<u>90,126,554</u>
<b>Hotels, Restaurants &amp; Leisure: 10.4%</b>		
Meituan Class B <sup>b,c,d</sup>	1,815,580	19,061,372
Galaxy Entertainment Group, Ltd.	1,721,000	9,639,093
Yum China Holdings, Inc.	149,071	6,325,083
Trip.com Group, Ltd. ADR <sup>b</sup>	172,415	6,208,664
Luckin Coffee, Inc. ADR <sup>b</sup>	193,113	5,268,123
		<u>46,502,335</u>
<b>Household Durables: 3.6%</b>		
Midea Group Co., Ltd. A Shares	1,056,252	8,100,376
Man Wah Holdings, Ltd.	11,577,200	7,940,164
		<u>16,040,540</u>
<b>Diversified Consumer Services: 1.1%</b>		
China Education Group Holdings, Ltd. <sup>d</sup>	8,327,000	5,225,425
<b>Specialty Retail: 0.8%</b>		
China Tourism Group Duty Free Corp., Ltd. A Shares	293,690	3,450,471
<b>Automobiles: 0.5%</b>		
Yadea Group Holdings, Ltd. <sup>c,d</sup>	1,312,000	2,310,921
<b>Total Consumer Discretionary</b>		<u>163,656,246</u>
<b>FINANCIALS: 18.0%</b>		
<b>Capital Markets: 8.9%</b>		
China International Capital Corp., Ltd. H Shares <sup>c,d</sup>	11,415,200	16,772,007
CITIC Securities Co., Ltd. H Shares	7,577,925	15,482,727
Hong Kong Exchanges & Clearing, Ltd.	161,800	5,549,782
East Money Information Co., Ltd. A Shares	1,187,220	2,341,321
		<u>40,145,837</u>
<b>Banks: 6.1%</b>		
China Merchants Bank Co., Ltd. A Shares	4,925,823	19,237,626
China Construction Bank Corp. H Shares	13,384,000	7,961,481
		<u>27,199,107</u>
<b>Insurance: 3.0%</b>		
Ping An Insurance Group Co. of China, Ltd. H Shares	1,942,000	8,792,015
PICC Property & Casualty Co., Ltd. H Shares	3,816,000	4,541,106
		<u>13,333,121</u>
<b>Total Financials</b>		<u>80,678,065</u>
<b>COMMUNICATION SERVICES: 15.3%</b>		
<b>Interactive Media &amp; Services: 11.9%</b>		
Tencent Holdings, Ltd.	1,064,400	40,186,287
Kuaishou Technology <sup>b,c,d</sup>	1,136,400	7,732,321
Baidu, Inc. Class A <sup>b</sup>	357,000	5,314,272
		<u>53,232,880</u>

	Shares	Value
<b>Entertainment: 1.8%</b>		
Tencent Music Entertainment Group ADR <sup>b</sup>	904,331	\$8,148,023
<b>Media: 1.6%</b>		
Focus Media Information Technology Co., Ltd. A Shares	8,352,357	7,414,117
<b>Total Communication Services</b>		<u>68,795,020</u>
<b>CONSUMER STAPLES: 7.1%</b>		
<b>Beverages: 4.6%</b>		
Wuliangye Yibin Co., Ltd. A Shares	412,429	8,125,857
Tsingtao Brewery Co., Ltd. H Shares	930,000	6,248,963
Shanxi Xinghuacun Fen Wine Factory Co., Ltd. A Shares	191,722	6,211,182
		<u>20,586,002</u>
<b>Consumer Staples Distribution &amp; Retail: 1.3%</b>		
JD Health International, Inc. <sup>b,c,d</sup>	1,162,100	5,833,449
<b>Food Products: 1.2%</b>		
Guangdong Haid Group Co., Ltd. A Shares	825,300	5,201,522
<b>Total Consumer Staples</b>		<u>31,620,973</u>
<b>INDUSTRIALS: 6.7%</b>		
<b>Electrical Equipment: 3.3%</b>		
Sungrow Power Supply Co., Ltd. A Shares	608,874	7,482,348
Contemporary Amperex Technology Co., Ltd. A Shares	313,960	7,193,609
		<u>14,675,957</u>
<b>Machinery: 2.0%</b>		
Shenzhen Inovance Technology Co., Ltd. A Shares	558,107	4,947,874
Estun Automation Co., Ltd. A Shares	1,659,544	4,327,897
		<u>9,275,771</u>
<b>Transportation Infrastructure: 1.4%</b>		
Shanghai International Airport Co., Ltd. A Shares <sup>b</sup>	1,350,891	6,214,441
<b>Total Industrials</b>		<u>30,166,169</u>
<b>REAL ESTATE: 6.0%</b>		
<b>Real Estate Management &amp; Development: 6.0%</b>		
KE Holdings, Inc. ADR	1,070,093	17,346,208
Country Garden Services Holdings Co., Ltd.	5,577,000	4,829,423
CIFI Holdings Group Co., Ltd. <sup>b</sup>	104,961,520	3,437,955
Times China Holdings, Ltd. <sup>b</sup>	42,755,000	1,425,888
<b>Total Real Estate</b>		<u>27,039,474</u>
<b>INFORMATION TECHNOLOGY: 5.2%</b>		
<b>Electronic Equipment, Instruments &amp; Components: 2.7%</b>		
Wingtech Technology Co., Ltd. A Shares <sup>b</sup>	1,080,317	6,413,514
SUPCON Technology Co., Ltd. A Shares	867,810	5,520,656
		<u>11,934,170</u>
<b>Software: 1.4%</b>		
Shanghai Baosight Software Co., Ltd. A Shares	952,034	6,518,729



Schedule of Investments<sup>a</sup> (continued)

COMMON EQUITIES (continued)

	Shares	Value
<b>Semiconductors &amp; Semiconductor Equipment: 1.1%</b>		
Zhejiang Jingsheng Mechanical & Electrical Co., Ltd. A Shares	389,858	\$2,411,758
NAURA Technology Group Co., Ltd. A Shares	68,313	2,354,235
		<u>4,765,993</u>
<b>Total Information Technology</b>		<u>23,218,892</u>
<b>HEALTH CARE: 4.9%</b>		
<b>Health Care Equipment &amp; Supplies: 2.2%</b>		
Shenzhen Mindray Bio-Medical Electronics Co., Ltd. A Shares	247,114	10,085,302
<b>Life Sciences Tools &amp; Services: 1.5%</b>		
Wuxi Biologics Cayman, Inc. <sup>b,c,d</sup>	1,715,000	6,486,565
WuXi XDC Cayman, Inc. <sup>b</sup>	4,073	16,692
		<u>6,503,257</u>
<b>Health Care Providers &amp; Services: 1.2%</b>		
Sinopharm Group Co., Ltd. H Shares	1,995,200	5,229,014
<b>Total Health Care</b>		<u>21,817,573</u>
<b>ENERGY: 1.9%</b>		
<b>Oil, Gas &amp; Consumable Fuels: 1.9%</b>		
PetroChina Co., Ltd. H Shares	12,650,000	8,358,996
<b>Total Energy</b>		<u>8,358,996</u>
<b>UTILITIES: 0.7%</b>		
<b>Gas Utilities: 0.7%</b>		
ENN Energy Holdings, Ltd.	439,600	3,246,203
<b>Total Utilities</b>		<u>3,246,203</u>
<b>TOTAL INVESTMENTS: 102.3%</b>		<u>458,597,611</u>
(Cost \$665,641,829)		
<b>LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS: (2.3%)</b>		<u>(10,138,595)</u>
<b>NET ASSETS: 100.0%</b>		<u>\$448,459,016</u>

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
  - b Non-income producing security.
  - c Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$58,196,635, which is 12.98% of net assets.
  - d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- ADR American Depositary Receipt

See accompanying notes to financial statements.



## PORTFOLIO MANAGERS

**Winnie Chwang**  
Lead Manager

**Andrew Mattock, CFA**  
Lead Manager

## FUND FACTS

	Investor	Institutional
Ticker	MCSMX	MICHX
CUSIP	577125404	577125842
Inception	5/31/11	11/30/17
NAV	\$8.95	\$8.94
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.55%	1.41%
After Fee Waiver and Reimbursement <sup>2</sup>	1.41%	1.20%

## Portfolio Statistics

Total # of Positions	44
Net Assets	\$89.2 million
Weighted Average Market Cap	\$4.5 billion
Portfolio Turnover <sup>3</sup>	59.1%

## Benchmark

MSCI China Small Cap Index

## OBJECTIVE

Long-term capital appreciation.

## STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of Small Companies located in China. China includes its administrative and other districts, such as Hong Kong. The Fund defines Small Companies as companies with market capitalization no higher than the greater of \$5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI China Small Cap Index.

# Matthews China Small Companies Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews China Small Companies Fund returned -17.51% (Investor Class) and -17.37% (Institutional Class), while its benchmark, the MSCI China Small Cap Index, returned -24.82% over the same period. For the fourth quarter, the Fund returned -6.96% (Investor Class) and -6.91% (Institutional Class), while the benchmark returned -2.93%.

### Market Environment

2023 was a disappointing year for Chinese equities and the Chinese economy overall. It's disappointing, in our view, not just in the sense of the underwhelming recovery of Chinese consumer spending post-COVID lockdowns, but also due to the lack of any significant stimulus measures by the government. While the government started to gradually loosen nearly all property purchase-restrictions across most cities in China, the expectations of potential home buyers regarding future house prices and their own income levels have changed. As a result, these policy changes have barely helped to arrest the slump in the real estate market. As the year progressed, investors gradually gave up on the idea that the Chinese central government would step in to engineer a stronger consumption rebound.

The challenging real estate market and the soft consumption environment create a potential formula for deflation, in our view. From what we can see, many entrepreneurs, whose animal spirits were curbed during the COVID period, are now hesitating to start any new investments in this environment. From a geopolitical standpoint, the highly anticipated Biden-Xi summit in San Francisco in November have not curbed the ongoing concerns of the market.

In terms of markets, quarterly results of leading Chinese companies, especially large cap technology firms seem to be hinting towards upward surprises in terms of top line revenue and earnings. During the last quarter of the year, information technology and utilities were the only positive sectors while real estate was weakest followed by consumer staples and communication services. Chinese small and mid caps ended lower but outperformed weak large and mega caps during the quarter.

### Performance Contributors and Detractors

From a sector perspective, our allocation to health care and stock selection within industrials detracted the most from relative performance in the year. We have been underweight health care relative to the index given its larger exposure in biotech where we have been more selective this year. Industrials have underperformed given our exposure in renewables which is going through a slower growth period amid capacity expansions and increased worries that oversupply might lead to weaker pricing. Turning to individual holdings, Xtep International Holdings, a consumer discretionary company engaged in the development and manufacturing of sportswear, detracted the most from the portfolio's absolute and relative performance. Xtep has been impacted by weaker-than-expected consumption environment which has led to slower-than-expected growth in the sportswear industry. BOE Varitronix, an auto parts manufacturer, was another detractor. The company has been experiencing some pricing pressures given a slowdown in the growth of both China's traditional ICE (Internal combustion engine) and EV

(continued)

<sup>1</sup> Actual 2023 expense ratios.

<sup>2</sup> Matthews has contractually agreed (i) to waive fees and reimburse expenses to the extent needed to limit Total Annual Fund Operating Expenses (excluding Rule 12b-1 fees, taxes, interest, brokerage commissions, short sale dividend expenses, expenses incurred in connection with any merger or reorganization or extraordinary expenses such as litigation) of the Institutional Class to 1.20% first by waiving class specific expenses (i.e., shareholder service fees specific to a particular class) of the Institutional Class and then, to the extent necessary, by waiving non-class specific expenses (e.g., custody fees) of the Institutional Class, and (ii) if any Fund-wide expenses (i.e., expenses that apply to both the Institutional Class and the Investor Class) are waived for the Institutional Class to maintain the 1.20% expense limitation, to waive an equal amount (in annual percentage terms) of those same expenses for the Investor Class. The Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursement for the Investor Class may vary from year to year and will in some years exceed 1.20%. If the operating expenses fall below the expense limitation within three years after Matthews has made a waiver or reimbursement, the Fund may reimburse Matthews up to an amount that does not cause the expenses for that year to exceed the lesser of (i) the expense limitation applicable at the time of that fee waiver and/or expense reimbursement or (ii) the expense limitation in effect at the time of recoupment. This agreement will remain in place until April 30, 2025 and may be terminated at any time by the Board of Trustees on behalf of the Fund on 60 days' written notice to Matthews. Matthews may decline to renew this agreement by written notice to the Trust at least 30 days before its annual expiration date.

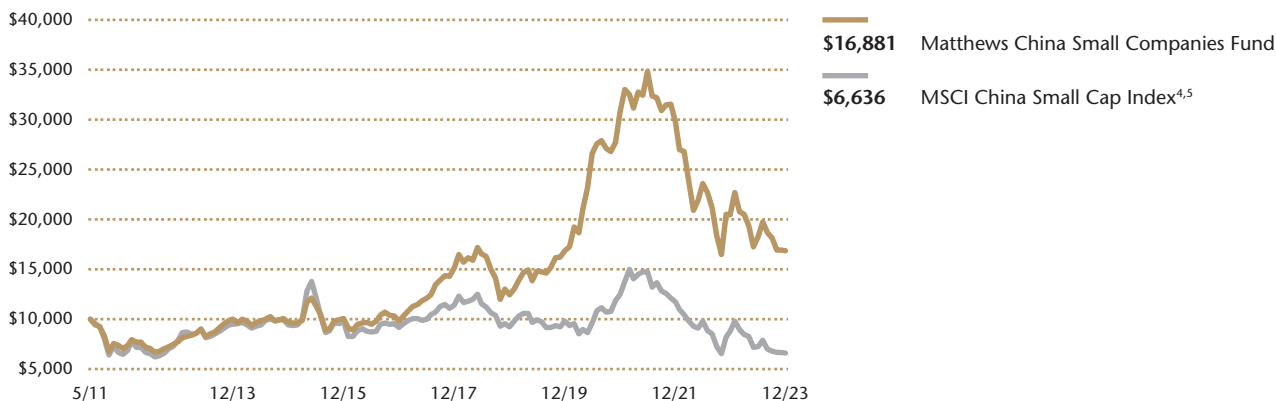
<sup>3</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns					Since Inception	Inception date
	3 Months	1 Year	3 Years	5 Years	10 Years		
Investor Class (MCSMX)	-6.96%	-17.51%	-18.23%	6.21%	5.34%	4.25%	05/31/11
Institutional Class (MICHX)	-6.91%	-17.37%	-18.05%	6.43%	n.a.	3.00%	11/30/17
MSCI China Small Cap Index <sup>4</sup>	-2.93%	-24.82%	-19.06%	-6.38%	-3.51%	-3.21% <sup>5</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance, visit [matthewsasiasia.com](http://matthewsasiasia.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>4</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

<sup>5</sup> Calculated from 5/31/11

## TOP TEN HOLDINGS<sup>6</sup>

Name	Sector	% Net Assets
Alchip Technologies, Ltd.	Information Technology	4.6%
Yangzijiang Shipbuilding Holdings, Ltd.	Industrials	4.3%
Samsonite International SA	Consumer Discretionary	4.3%
ACM Research, Inc.	Information Technology	4.2%
Jason Furniture Hangzhou Co., Ltd.	Consumer Discretionary	3.4%
China Overseas Property Holdings, Ltd.	Real Estate	3.3%
KE Holdings, Inc.	Real Estate	3.3%
Kanzhun, Ltd.	Communication Services	3.3%
Morimatsu International Holdings Co., Ltd.	Industrials	3.0%
ENN Natural Gas Co., Ltd.	Utilities	2.8%
<b>% OF ASSETS IN TOP 10</b>		<b>36.5%</b>

<sup>6</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

# Matthews China Small Companies Fund

## *Portfolio Manager Commentary (unaudited) (continued)*

(electric vehicle) auto industry. We believe these two names sold down more relative to their weaker outlook, and that their current valuations have more than compensated for a lower growth outlook ahead.

On the other hand, stock selection within information technology and real estate sectors contributed the most to the Fund's relative performance. Two Taiwan-listed information technology names including Alchip Technologies contributed the most to the Fund's absolute and relative performance as beneficiaries from the secular trends of AI (artificial intelligence). Alchip designs application-specific integrated circuits (ASIC) and the company continues to see growing penetration and development from customized AI chip designs. Anhui Yingjia Distillery, a mass market white liquor manufacturer, was another top contributor. Anhui Yingjia has done well given the company's positive efforts in distribution and branding restructuring in its hometown of Anhui province.

### **Notable Portfolio Changes**

We streamlined the number of positions in the portfolio from 64 to 44 over the course of the year. Overall exposure in mainland-listed companies has been reduced from around 39% in Dec 2022 to 24% at the end of the year. Many smaller A-shares positions that were more expensive were exited from the portfolio as cheaper valuations given the pull back enabled us to build more into better quality holdings. In the more recent quarters, we have incrementally added to our positions in certain communication services names such as Cloud Music (driven by low valuations as well as increased willingness of consumers to spend and pay for online services). We've also added to consumer names such as Melco Resorts & Entertainment and Tongcheng Travel Holdings (driven by the pull back of these names leading to attractive valuations for what are still renowned brands in China) and to health care names such as HUTCHMED and Kangji Medical Holdings.

### **Outlook**

2023 has been generally a challenging year for China. Despite the lifting of COVID restrictions in the country, the government's lack of stimulus generally led to weakening economic support. At the same time, property market woes continued, impacting sentiment and business confidence in the country. While more supportive measures have been rolled out later in the year to address property market concerns, a meaningful inflection remains to be seen.

Looking ahead, we are cautiously looking for a stabilization of the deterioration in property markets. While we do not expect a significant warming of geo-politics, the ongoing current status quo of a more constructive post-APEC posturing would be welcomed by the market. Valuations continued to trend down in 2023, and the broader China market hovers around similar levels as 2009 despite better quality businesses and earnings profile. We continue to believe that patience is needed in these market environments and, that it could ultimately pay off if the market turns.

COUNTRY ALLOCATION (%) <sup>7</sup>	
China/Hong Kong	80.6
Taiwan	11.2
United States	8.5
Liabilities in Excess of Cash and Other Assets	-0.3

SECTOR ALLOCATION (%) <sup>7</sup>	
Consumer Discretionary	21.9
Industrials	20.4
Information Technology	18.7
Health Care	11.3
Consumer Staples	9.1
Communication Services	6.7
Real Estate	6.6
Utilities	2.8
Financials	2.7
Liabilities in Excess of Cash and Other Assets	-0.3

MARKET CAP EXPOSURE (%) <sup>7,8</sup>	
Mega Cap (over \$25B)	0.0
Large Cap (\$10B-\$25B)	8.0
Mid Cap (\$3B-10B)	55.5
Small Cap (under \$3B)	36.7
Liabilities in Excess of Cash and Other Assets	-0.3

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

<sup>8</sup> The Fund defines Small Companies as companies with market capitalization no higher than the greater of \$5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI China Small Cap Index.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 100.3%

	Shares	Value
<b>CONSUMER DISCRETIONARY: 21.9%</b>		
<b>Textiles, Apparel &amp; Luxury Goods: 6.4%</b>		
Samsonite International SA <sup>b,c,d</sup>	1,162,200	\$3,834,356
Xtep International Holdings, Ltd.	3,249,000	1,836,637
		<u>5,670,993</u>
<b>Household Durables: 5.5%</b>		
Jason Furniture Hangzhou Co., Ltd. A Shares	625,400	3,074,114
Hisense Home Appliances Group Co., Ltd. H Shares	834,000	1,801,940
		<u>4,876,054</u>
<b>Hotels, Restaurants &amp; Leisure: 4.8%</b>		
Tongcheng Travel Holdings, Ltd. <sup>c,d</sup>	1,276,400	2,363,956
Melco Resorts & Entertainment, Ltd. ADR <sup>c</sup>	221,847	1,967,783
		<u>4,331,739</u>
<b>Automobile Components: 2.0%</b>		
Zhejiang Shuanghuan Driveline Co., Ltd. A Shares	483,203	1,770,513
<b>Diversified Consumer Services: 1.6%</b>		
China Education Group Holdings, Ltd. <sup>d</sup>	2,344,000	1,470,925
<b>Automobiles: 1.6%</b>		
Yadea Group Holdings, Ltd. <sup>b,d</sup>	792,000	1,395,007
<b>Total Consumer Discretionary</b>		<u>19,515,231</u>
<b>INDUSTRIALS: 20.4%</b>		
<b>Machinery: 9.5%</b>		
Yangzijiang Shipbuilding Holdings, Ltd.	3,434,500	3,874,790
Morimatsu International Holdings Co., Ltd. <sup>c,d</sup>	3,779,000	2,662,727
Airtac International Group	58,191	1,912,048
		<u>8,449,565</u>
<b>Professional Services: 2.4%</b>		
Centre Testing International Group Co., Ltd. A Shares	1,069,400	2,141,888
<b>Construction &amp; Engineering: 2.4%</b>		
Greentown Management Holdings Co., Ltd. <sup>b,d</sup>	3,101,000	2,133,759
<b>Electrical Equipment: 2.3%</b>		
Hongfa Technology Co., Ltd. A Shares	531,157	2,059,688
<b>Ground Transportation: 2.2%</b>		
Full Truck Alliance Co., Ltd. ADR <sup>c</sup>	287,021	2,012,017
<b>Marine Transportation: 0.9%</b>		
SITC International Holdings Co., Ltd.	450,500	777,576
<b>Transportation Infrastructure: 0.7%</b>		
Beijing Capital International Airport Co., Ltd. H Shares <sup>c</sup>	2,158,000	633,144
<b>Total Industrials</b>		<u>18,207,637</u>

	Shares	Value
<b>INFORMATION TECHNOLOGY: 18.7%</b>		
<b>Semiconductors &amp; Semiconductor Equipment: 10.1%</b>		
Alchip Technologies, Ltd.	39,000	\$4,144,075
ACM Research, Inc. Class A <sup>c</sup>	190,616	3,724,637
AP Memory Technology Corp.	78,000	1,188,803
		<u>9,057,515</u>
<b>Electronic Equipment, Instruments &amp; Components: 6.6%</b>		
Elite Material Co., Ltd.	175,000	2,173,148
Shenzhen Topband Co., Ltd. A Shares	1,542,800	2,112,212
BOE Varitronix, Ltd.	1,740,000	1,575,346
		<u>5,860,706</u>
<b>Software: 2.0%</b>		
Longshine Technology Group Co., Ltd. A Shares	761,444	1,751,418
<b>Total Information Technology</b>		<u>16,669,639</u>
<b>HEALTH CARE: 11.3%</b>		
<b>Health Care Equipment &amp; Supplies: 4.9%</b>		
AK Medical Holdings, Ltd. <sup>b,d</sup>	2,850,000	2,286,004
Peijia Medical, Ltd. <sup>b,c,d</sup>	1,681,000	1,591,589
Kangji Medical Holdings, Ltd.	537,500	481,324
		<u>4,358,917</u>
<b>Health Care Technology: 2.3%</b>		
Medlive Technology Co., Ltd. <sup>b,d</sup>	1,873,500	2,034,529
<b>Biotechnology: 1.9%</b>		
Legend Biotech Corp. ADR <sup>c</sup>	29,089	1,750,285
<b>Pharmaceuticals: 1.6%</b>		
HUTCHMED China, Ltd. <sup>c</sup>	380,000	1,396,795
<b>Life Sciences Tools &amp; Services: 0.6%</b>		
WuXi XDC Cayman, Inc. <sup>c</sup>	140,500	575,783
<b>Total Health Care</b>		<u>10,116,309</u>
<b>CONSUMER STAPLES: 9.1%</b>		
<b>Beverages: 3.6%</b>		
Anhui Yingjia Distillery Co., Ltd. A Shares	182,000	1,693,556
Anhui Kouzi Distillery Co., Ltd. A Shares	234,300	1,489,438
		<u>3,182,994</u>
<b>Food Products: 3.1%</b>		
Anjoy Foods Group Co., Ltd. A Shares	103,447	1,518,414
Chacha Food Co., Ltd. A Shares	259,100	1,265,450
		<u>2,783,864</u>
<b>Personal Care Products: 2.4%</b>		
Giant Biogene Holding Co., Ltd. <sup>b,c,d</sup>	472,200	2,153,881
<b>Total Consumer Staples</b>		<u>8,120,739</u>

*Schedule of Investments<sup>a</sup> (continued)*

**COMMON EQUITIES (continued)**

	Shares	Value
<b>COMMUNICATION SERVICES: 6.7%</b>		
<b>Interactive Media &amp; Services: 5.2%</b>		
Kanzhun, Ltd. ADR	175,850	\$2,920,868
Zhihu, Inc. ADR <sup>c</sup>	1,811,658	1,696,437
		<u>4,617,305</u>
<b>Entertainment: 1.5%</b>		
Cloud Music, Inc. <sup>b,c,d</sup>	114,400	1,315,870
<b>Total Communication Services</b>		<u>5,933,175</u>
<b>REAL ESTATE: 6.6%</b>		
<b>Real Estate Management &amp; Development: 6.6%</b>		
China Overseas Property Holdings, Ltd.	3,975,000	2,983,082
KE Holdings, Inc. A Shares	536,300	2,930,129
<b>Total Real Estate</b>		<u>5,913,211</u>
<b>UTILITIES: 2.8%</b>		
<b>Gas Utilities: 2.8%</b>		
ENN Natural Gas Co., Ltd. A Shares	1,043,242	2,462,334
<b>Total Utilities</b>		<u>2,462,334</u>
<b>FINANCIALS: 2.8%</b>		
<b>Financial Services: 2.8%</b>		
Chailease Holding Co., Ltd.	390,106	2,451,327
<b>Total Financials</b>		<u>2,451,327</u>
<b>TOTAL INVESTMENTS: 100.3%</b>		<b>89,389,602</b>
(Cost \$106,116,962)		
<b>LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS: (0.3%)</b>		<u><b>(233,468)</b></u>
<b>NET ASSETS: 100.0%</b>		<u><b>\$89,156,134</b></u>

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
  - b Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$16,744,995, which is 18.78% of net assets.
  - c Non-income producing security.
  - d The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- ADR American Depositary Receipt

See accompanying notes to financial statements.



## PORTFOLIO MANAGERS

**Peeyush Mittal, CFA**  
Lead Manager

**Swagato Ghosh**  
Co-Manager

## FUND FACTS

	Investor	Institutional
Ticker	MINDX	MIDNX
CUSIP	577130859	577130768
Inception	10/31/05	10/29/10
NAV	\$26.37	\$26.93
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.14%	1.01%

### Portfolio Statistics

Total # of Positions	70
Net Assets	\$763.1 million
Weighted Average Market Cap	\$44.1 billion
Portfolio Turnover <sup>2</sup>	51.0%

### Benchmarks

S&P Bombay Stock Exchange 100 Index  
MSCI India Index

## OBJECTIVE

Long-term capital appreciation.

## STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in publicly traded common stocks, preferred stocks and convertible securities of companies located in India.

# Matthews India Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews India Fund returned 23.10% (Investor Class) and 23.32% (Institutional Class), while its benchmark, the S&P Bombay Stock Exchange 100 Index, returned 22.44% over the same period. For the fourth quarter, the Fund returned 8.68% (Investor Class) and 8.75% (Institutional Class), while the benchmark returned 11.38%.

### Market Environment

High interest rates globally, on the back of monetary policy tightening, continued for most of 2023. Through the course of this year, we saw a substantial cooling off in the price of both hard and soft commodities yet inflation continued to remain higher than the comfort level of most central banks globally. In part this was related to the unfolding Russia-Ukraine and Israel-Gaza military conflicts. These events have led to tightness in energy markets, elevated logistics costs and challenged food supplies which in turn have kept inflation from falling faster.

India was a bright spot in global markets with strong returns helped by both fundamentals and investor inflows. Domestic economic activity remained strong as the government maintained its infrastructure-related spending momentum. Consumption, however, was soft throughout the year especially at the mid and bottom-end of the income strata. Weak monsoons also delayed recovery in rural demand. In spite of this, GDP growth was above 7% in last three quarters led mainly by government capital expenditure expansion.

Results of state elections held in the later part of the year increased the probability of political continuity of incumbent Prime Minister Modi in the 2024 general elections. And while foreign flows were supportive, incremental positive domestic flows were a bigger driver of the market in 2023.

The world is also witnessing an accelerated trend by businesses of all sizes to reset their supply chains and to reduce their dependence on imports from China. Given the political and economic stability of India, more and more businesses are looking to relocate parts of their supply network to India.

### Performance Contributors and Detractors

For the year, stock selection in health care, financials and information technology (IT) were the biggest contributors to relative performance. On the other hand, an underweight in utilities was the biggest detractor to relative performance. Stock selection in consumer discretionary and consumer staples were also big detractors for the year.

At the holdings level, Neuland Laboratories, Shriram Finance and Cholamandalam Investment and Finance Co. were among the top contributors to performance for the year. Neuland is an API (active pharmaceutical manufacturing) company which executed its business strategy throughout the year and posted robust numbers. Shriram and Chola are non-bank financial institutions (NBFCs) which executed well on book growth and diversification, while maintaining good credit quality during the year.

At the other end of the spectrum, Cognizant Technology Solutions, Dabur India and Restaurant Brands Asia were among the weaker performers. IT services like Cognizant were generally hurt by softening demand, especially from the U.S. Consumption stocks like Dabur and Restaurant Brands were impacted by a lack of revival in consumer demand in their specific categories.

(continued)

<sup>1</sup> Actual 2023 expense ratios.

<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

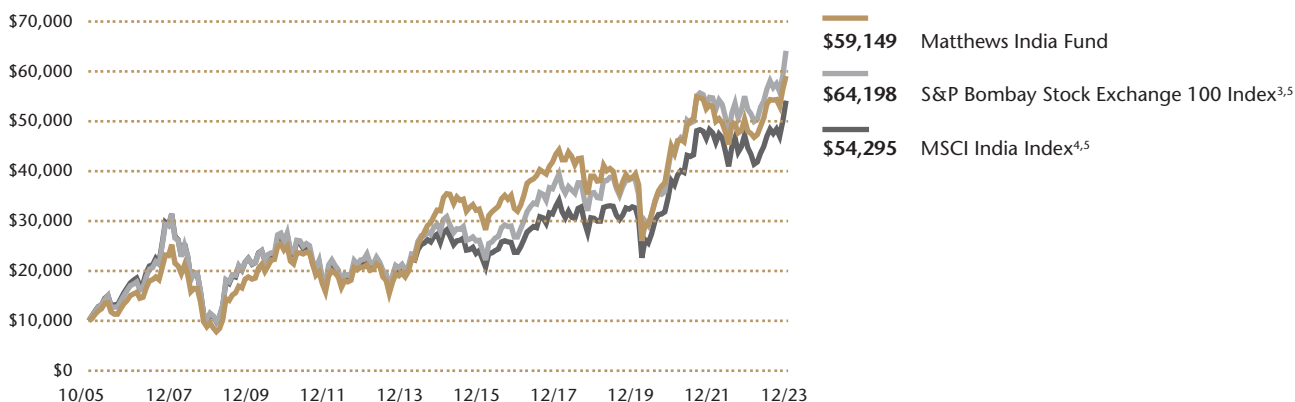
## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns						Inception Date
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception	
Investor Class (MINDX)	8.68%	23.10%	9.41%	8.62%	11.65%	10.28%	10/31/05
Institutional Class (MIDNX)	8.75%	23.32%	9.56%	8.77%	11.83%	6.78%	10/29/10
S&P Bombay Stock Exchange 100 Index <sup>3</sup>	11.38%	22.44%	13.20%	12.39%	11.65%	10.78% <sup>5</sup>	
MSCI India Index <sup>4</sup>	11.98%	21.29%	12.43%	12.12%	10.08%	9.76% <sup>5</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. For the Fund's most recent month-end performance, visit [matthewsasiasia.com](http://matthewsasiasia.com).*

\* Performance results include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

3 It is not possible to invest directly in an index. Source: Index data from S&P BSE 100 Index and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

4 It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 76 for index definition.

5 Calculated from 10/31/05.

## TOP TEN HOLDINGS<sup>6</sup>

Name	Sector	% Net Assets
HDFC Bank, Ltd.	Financials	6.0%
Shriram Finance, Ltd.	Financials	5.5%
Reliance Industries, Ltd.	Energy	5.3%
ICICI Bank, Ltd.	Financials	4.9%
Infosys, Ltd.	Information Technology	3.9%
Neuland Laboratories, Ltd.	Health Care	3.7%
IndusInd Bank, Ltd.	Financials	3.2%
Axis Bank, Ltd.	Financials	3.1%
Tata Consultancy Services, Ltd.	Information Technology	3.0%
Bharat Heavy Electricals, Ltd.	Industrials	2.2%
<b>% OF ASSETS IN TOP 10</b>		<b>40.8%</b>

6 Holdings may combine more than one security from same issuer and related depository receipts.



COUNTRY ALLOCATION (%) <sup>7</sup>	
India	103.3
Liabilities in Excess of Cash and Other Assets	-3.3
SECTOR ALLOCATION (%) <sup>7</sup>	
Financials	34.2
Information Technology	14.1
Consumer Discretionary	12.7
Industrials	11.8
Health Care	9.7
Consumer Staples	9.0
Energy	5.3
Materials	4.5
Utilities	1.0
Real Estate	0.8
Communication Services	0.2
Liabilities in Excess of Cash and Other Assets	-3.3
MARKET CAP EXPOSURE (%) <sup>7</sup>	
Mega Cap (over \$25B)	42.5
Large Cap (\$10B–\$25B)	16.7
Mid Cap (\$3B–10B)	26.7
Small Cap (under \$3B)	17.4
Liabilities in Excess of Cash and Other Assets	-3.3

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

## Matthews India Fund

### *Portfolio Manager Commentary (unaudited) (continued)*

#### Notable Portfolio Changes

This year, we sought to improve our holdings in sectors like consumer discretionary and staples and invested in names where growth visibility is higher. To that extent we initiated a position in Sona BLW Precision Forgings. The company's differentiated capabilities in auto components, especially for electric vehicles (EV), gives it a sustainable competitive advantage, we believe, and hence has a long runway for growth. We exited our position in Bosch, the Indian arm of German automotive supplier Robert Bosch, as we felt the company's growth trajectory was stagnating and the technological edge globally was not translating into business momentum in India. Similarly, we exited Dabur India which we believe has become a growth laggard within the staples space and there is no visibility on why that might change in the future.

Elsewhere, we initiated a position in Mahindra & Mahindra Financial Services to leverage the trend of NBFCs growing strongly in a strong credit growth cycle, with improving asset quality. We also exited our position in Crompton Greaves, driven by findings from our primary research process which suggested a breakdown in sales and marketing strategy and internal turmoil due to employee attrition at all levels.

#### Outlook

We remain optimistic about the near-term outlook for India. Inflation and interest rates have peaked out and future actions by the Indian central bank on interest rates or on liquidity should boost growth, we believe in the coming year. The government should continue its infrastructure related spend, in our view, albeit with a hiatus of few months around the elections. We believe consumption growth should also come back sooner rather than later as the prior year's base becomes more favorable and real income growth returns. We prefer domestic sectors like real estate, utilities and financial services and other sectors like manufacturing where there are clear tailwinds from China +1 strategies among multinational companies.

We believe the government's focus on establishing India as a manufacturing hub, to replace imports and to tap export opportunities, will continue and may even gather steam as global volatility increase. Sectors like auto and chemicals are well poised to benefit from this.

Residential real estate is in the midst of an extended up-cycle which will benefit housing developers and ancillary companies. Stricter regulations and consolidation on the supply side over the last decade has led to a much cleaner property market in India with many more investment opportunities now available.

India is also embarking on a massive power capacity augmentation over the next decade, most of which will be renewable. For this year we see growth in domestic demand for energy and the need for energy security will be strong narratives for utility and renewables companies. Global macro volatility will impact India but to a lesser extent than many other economies. All in all, unless there are any major external or internal shocks, we believe India should have another good year in terms of economic growth and stock market performance.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 103.3%

	Shares	Value		Shares	Value
<b>FINANCIALS: 34.2%</b>			<b>Textiles, Apparel &amp; Luxury Goods: 2.5%</b>		
<b>Banks: 21.8%</b>			Titan Co., Ltd.	384,115	\$16,953,683
HDFC Bank, Ltd.	2,234,599	\$45,755,697	Vedant Fashions, Ltd.	125,529	1,912,643
ICICI Bank, Ltd.	3,150,983	37,653,612			<u>18,866,326</u>
IndusInd Bank, Ltd.	1,273,549	24,446,042	<b>Automobile Components: 1.7%</b>		
Axis Bank, Ltd.	1,805,785	23,898,435	Sona Blw Precision Forgings, Ltd. <sup>b,c</sup>	1,076,178	8,329,023
Federal Bank, Ltd.	8,772,923	16,448,793	Divgi Torqtransfer Systems, Ltd.	377,996	4,455,028
Kotak Mahindra Bank, Ltd.	589,720	13,511,991			<u>12,784,051</u>
Bandhan Bank, Ltd. <sup>b,c</sup>	1,671,073	4,842,665	<b>Specialty Retail: 1.4%</b>		
		<u>166,557,235</u>	FSN E-Commerce Ventures, Ltd. <sup>d</sup>	2,704,219	5,649,286
<b>Consumer Finance: 10.4%</b>			Shankara Building Products, Ltd.	633,900	5,435,401
Shriram Finance, Ltd.	1,692,005	41,737,938			<u>11,084,687</u>
Cholamandalam Investment and Finance Co., Ltd.	991,091	14,990,678	<b>Hotels, Restaurants &amp; Leisure: 1.4%</b>		
Bajaj Finance, Ltd.	153,487	13,505,528	Restaurant Brands Asia, Ltd. <sup>d</sup>	5,740,194	7,705,498
Mahindra & Mahindra Financial Services, Ltd.	2,803,846	9,315,378	Lemon Tree Hotels, Ltd. <sup>b,c,d</sup>	1,840,899	2,649,674
		<u>79,549,522</u>			<u>10,355,172</u>
<b>Insurance: 1.2%</b>			<b>Total Consumer Discretionary</b>		<u>96,764,208</u>
PB Fintech, Ltd. <sup>d</sup>	968,136	9,236,194			
<b>Financial Services: 0.8%</b>			<b>INDUSTRIALS: 11.8%</b>		
LIC Housing Finance, Ltd.	903,059	5,812,586	<b>Machinery: 3.8%</b>		
<b>Total Financials</b>		<u>261,155,537</u>	Cummins India, Ltd.	555,215	13,096,470
			Thermax, Ltd.	319,012	11,804,696
<b>INFORMATION TECHNOLOGY: 14.1%</b>			Ashok Leyland, Ltd.	1,784,118	3,889,690
<b>IT Services: 12.4%</b>					<u>28,790,856</u>
Infosys, Ltd.	1,598,241	29,584,214	<b>Electrical Equipment: 2.9%</b>		
Tata Consultancy Services, Ltd.	501,216	22,827,331	Bharat Heavy Electricals, Ltd.	7,304,281	16,974,859
LTIMindtree, Ltd. <sup>b,c</sup>	179,378	13,554,576	Schneider Electric Infrastructure, Ltd. <sup>d</sup>	541,338	2,660,045
Persistent Systems, Ltd.	128,666	11,412,683	ABB India, Ltd.	44,858	2,519,247
HCL Technologies, Ltd.	495,830	8,725,994			<u>22,154,151</u>
Coforge, Ltd.	111,337	8,385,883	<b>Construction &amp; Engineering: 2.1%</b>		
		<u>94,490,681</u>	Sterling and Wilson Renewable Energy, Ltd. <sup>c,d</sup>	1,751,469	9,087,854
<b>Electronic Equipment, Instruments &amp; Components: 1.1%</b>			Volta, Ltd.	581,875	6,837,345
Syrma SGS Technology, Ltd.	528,687	4,260,112			<u>15,925,199</u>
Kaynes Technology India, Ltd. <sup>d</sup>	134,302	4,211,283	<b>Transportation Infrastructure: 1.4%</b>		
		<u>8,471,395</u>	Gujarat Pipavav Port, Ltd.	5,852,399	10,756,588
<b>Software: 0.4%</b>			<b>Professional Services: 1.1%</b>		
Newgen Software Technologies, Ltd.	166,455	3,122,276	Latent View Analytics, Ltd. <sup>d</sup>	1,602,994	8,753,386
<b>Communications Equipment: 0.2%</b>			<b>Building Products: 0.5%</b>		
Tejas Networks, Ltd. <sup>b,c,d</sup>	146,797	1,533,591	Astral, Ltd.	168,043	3,850,000
<b>Total Information Technology</b>		<u>107,617,943</u>	<b>Total Industrials</b>		<u>90,230,180</u>
			<b>HEALTH CARE: 9.7%</b>		
<b>CONSUMER DISCRETIONARY: 12.7%</b>			<b>Pharmaceuticals: 5.2%</b>		
<b>Automobiles: 5.7%</b>			Neuland Laboratories, Ltd.	449,244	28,558,022
Bajaj Auto, Ltd.	185,341	15,134,880	Sun Pharmaceutical Industries, Ltd.	574,905	8,697,084
TVS Motor Co., Ltd.	586,995	14,283,311	Laurus Labs, Ltd. <sup>b,c</sup>	529,007	2,734,087
Maruti Suzuki India, Ltd.	82,926	10,260,480			<u>39,989,193</u>
Tata Motors, Ltd.	426,456	3,995,301	<b>Health Care Equipment &amp; Supplies: 2.0%</b>		
		<u>43,673,972</u>	Poly Medicure, Ltd.	840,567	15,049,926

Schedule of Investments<sup>a</sup> (continued)

COMMON EQUITIES (continued)

	Shares	Value
<b>Life Sciences Tools &amp; Services: 1.8%</b>		
Syngene International, Ltd. <sup>b,c</sup>	952,851	\$8,027,719
Divi's Laboratories, Ltd.	118,076	5,536,057
		<u>13,563,776</u>
<b>Health Care Providers &amp; Services: 0.7%</b>		
Metropolis Healthcare, Ltd. <sup>b,c</sup>	265,457	5,351,211
<b>Total Health Care</b>		<u>73,954,106</u>
<b>CONSUMER STAPLES: 9.0%</b>		
<b>Food Products: 4.5%</b>		
Nestle India, Ltd.	44,789	14,299,798
Britannia Industries, Ltd.	222,092	14,243,686
Tata Consumer Products, Ltd.	457,443	5,971,328
		<u>34,514,812</u>
<b>Personal Care Products: 4.5%</b>		
Hindustan Unilever, Ltd.	401,420	12,844,373
Godrej Consumer Products, Ltd.	770,417	10,469,101
Honasa Consumer, Ltd. <sup>d,†</sup>	1,608,737	8,521,804
Bajaj Consumer Care, Ltd.	758,095	1,999,973
		<u>33,835,251</u>
<b>Total Consumer Staples</b>		<u>68,350,063</u>
<b>ENERGY: 5.3%</b>		
<b>Oil, Gas &amp; Consumable Fuels: 5.3%</b>		
Reliance Industries, Ltd.	1,303,427	40,455,704
<b>Total Energy</b>		<u>40,455,704</u>
<b>MATERIALS: 4.5%</b>		
<b>Chemicals: 2.2%</b>		
PI Industries, Ltd.	209,510	8,848,895
Asian Paints, Ltd.	189,336	7,737,512
		<u>16,586,407</u>
<b>Construction Materials: 1.3%</b>		
UltraTech Cement, Ltd.	46,388	5,851,903
Ramco Cements, Ltd.	336,785	4,127,269
		<u>9,979,172</u>
<b>Metals &amp; Mining: 1.0%</b>		
APL Apollo Tubes, Ltd.	411,226	7,589,766
<b>Total Materials</b>		<u>34,155,345</u>
<b>UTILITIES: 1.0%</b>		
<b>Independent Power and Renewable Electricity Producers: 1.0%</b>		
NTPC, Ltd.	2,021,568	7,552,660
<b>Total Utilities</b>		<u>7,552,660</u>
<b>REAL ESTATE: 0.8%</b>		
<b>Real Estate Management &amp; Development: 0.8%</b>		
DLF, Ltd.	697,280	6,080,854
<b>Total Real Estate</b>		<u>6,080,854</u>

	Shares	Value
<b>COMMUNICATION SERVICES: 0.2%</b>		
<b>Diversified Telecommunication Services: 0.2%</b>		
HFCL, Ltd.	1,830,367	\$1,850,031
<b>Total Communication Services</b>		<u>1,850,031</u>
<b>TOTAL COMMON EQUITIES</b>		<b>788,166,631</b>
(Cost \$602,476,869)		

NON-CONVERTIBLE CORPORATE BONDS: 0.0%

	Face Amount*
<b>CONSUMER STAPLES: 0.0%</b>	
<b>Food Products: 0.0%</b>	
Britannia Industries, Ltd., Series N3 5.500%, 06/03/24	INR 1,996,476
<b>Total Consumer Staples</b>	<u>23,704</u>
<b>TOTAL NON-CONVERTIBLE CORPORATE BONDS</b>	
<b>23,704</b>	
(Cost \$27,434)	
<b>TOTAL INVESTMENTS: 103.3%</b>	
<b>788,190,335</b>	
(Cost \$602,504,303)	

**LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS: (3.3%)** (25,064,959)

**NET ASSETS: 100.0%** \$763,125,376

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
- b Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$47,022,546, which is 6.16% of net assets.
- c The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- d Non-income producing security.
- † As of December 31, 2023, 308,660 shares of Honasa Consumer, Ltd. were restricted from sale as part of an anchor investment agreement. That restriction expired on February 4, 2024.
- \* All Values in USD unless otherwise specified.
- INR Indian Rupee

See accompanying notes to financial statements.



## PORTFOLIO MANAGERS

**Shuntaro Takeuchi**   **Donghoon Han**  
Lead Manager   Lead Manager

## FUND FACTS

	Investor	Institutional
Ticker	MJFOX	MJFX
CUSIP	5771 30800	5771 30792
Inception	12/31/98	10/29/10
NAV	\$17.58	\$17.63
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.09%	1.02%
<b>Portfolio Statistics</b>		
Total # of Positions	43	
Net Assets	655.5 million	
Weighted Average Market Cap	\$49.2 billion	
Portfolio Turnover <sup>2</sup>	100.6%	
<b>Benchmark</b>		
MSCI Japan Index		

## OBJECTIVE

Long-term capital appreciation.

## STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Japan.

# Matthews Japan Fund

## Portfolio Manager Commentary (unaudited)

For the year ending December 31, 2023, the Matthews Japan Fund returned 17.99% (Investor Class) and 18.08% (Institutional Class), while its benchmark, the MSCI Japan Index, returned 20.77% over the same period. For the fourth quarter, the Fund returned 8.25% (Investor Class) and 8.29% (Institutional Class), while the benchmark returned 8.22%.

### Market Environment

Japan equity markets posted healthy total returns in 2023, along with other developed markets, outpacing emerging markets. Japanese stocks' outperformance was mainly driven by resilient earnings growth amid a tepid global macro economy. Valuation levels also moved up from the low end to the midpoint of the past 10-year historical range, helped by government policy and activist pressure which pushed undervalued companies to increase their payouts and buybacks.

The direction of interest rates and risk premiums in 2023 was a seesaw between hopes for the U.S. Federal Reserve's pace of rate hike slowing down. The discussion of rates being 'higher for longer,' spurred a risk-off move across global markets for the third quarter, and U.S. 10-year bond yields reached 5% in October for the first time in 2008. Sentiment improved toward the end of the year as investors responded to evidence of softening in global growth and an easing in inflationary pressures. For the full year, the MSCI Japan Value Index outpaced the MSCI Japan Growth Index by 661 basis points (6.61%), reflecting the general rise in interest rates.

The Japanese yen generally traded in a range bound for the first six months of the year but in the third quarter, as U.S. 10-year bond yields rose, the currency weakened back to its 27-year low of 150 yen to the U.S. dollar.

### Performance Contributors and Detractors

The portfolio's overweight to small caps relative to the benchmark resulted in the majority of the detraction while positive stock selection in all market cap spectrums offset the allocation effect. From a sector perspective, stock selection in materials and consumer staples were the two largest contributors to relative performance while stock selection in financials and industrials were the biggest detractors.

At the holdings level, Shin-Etsu Chemical and Renesas Electronics were the top two contributors to both the Fund's total and relative returns. The share price of semiconductor company Renesas Electronics faced some profit taking in the third quarter, but we continue to view positively the company's ongoing progress in inventory adjustments as it shows the company's solid execution during downturns. We continue to see Renesas constructively as its valuation level remains compelling.

Polyvinyl chloride and semiconductor wafer manufacturer Shin-Etsu Chemical's main businesses faced a downturn through the housing and semiconductor cycle, but the company once again displayed its capability to maneuver slow-downs, maintaining its high-capacity utilization rate and adhering to long-term agreements with key customers.

The largest detractor to the portfolio's relative returns was Tokyo Electron, a semiconductor production equipment company. Our position size was well below the benchmark; however, at the portfolio level, we were able to benefit from overweighting semiconductor-related sectors. Debt guarantor eGuarantee was the second-largest detractor to investment results. Although the company continues to execute and generate strong earnings growth, COVID-related relief funds that saved many institutions from bankruptcy led to a slower-than-expected rise in bankruptcy numbers in Japan. We have already exited from this position.

### Notable Portfolio Changes

During the December quarter, we made three major changes to the portfolio. First, with foreign investor flows turning positive for the first time in five years, we

(continued)

<sup>1</sup> Actual 2023 expense ratios.

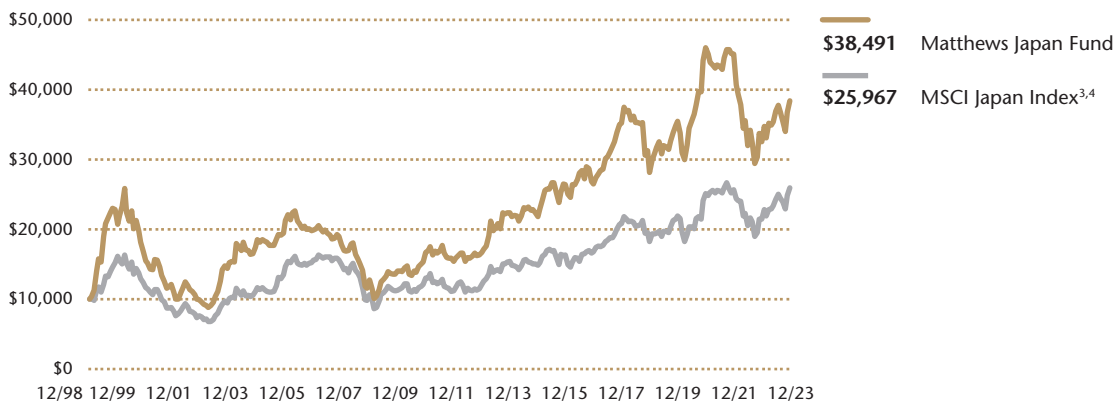
<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns						Inception Date
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception	
Investor Class (MJFOX)	8.25%	17.99%	-5.84%	6.45%	5.55%	5.54%	12/31/98
Institutional Class (MIJFX)	8.29%	18.08%	-5.78%	6.49%	5.63%	7.47%	10/29/10
MSCI Japan Index <sup>3</sup>	8.22%	20.77%	1.04%	7.31%	5.34%	3.89% <sup>4</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. For the Fund's most recent month-end performance, visit [matthewsasiasia.com](http://matthewsasiasia.com).*

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>3</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definitions.

<sup>4</sup> Calculated from 12/31/98.

## TOP TEN HOLDINGS<sup>5</sup>

Name	Sector	% Net Assets
Shin-Etsu Chemical Co., Ltd.	Materials	5.6%
Keyence Corp.	Information Technology	4.8%
Tokio Marine Holdings, Inc.	Financials	4.1%
Sony Group Corp.	Consumer Discretionary	3.9%
Hitachi, Ltd.	Industrials	3.7%
Renesas Electronics Corp.	Information Technology	3.4%
Recruit Holdings Co., Ltd.	Industrials	3.0%
FUJIFILM Holdings Corp.	Information Technology	2.9%
Suzuki Motor Corp.	Consumer Discretionary	2.9%
Ajinomoto Co., Inc.	Consumer Staples	2.8%
<b>% OF ASSETS IN TOP 10</b>		<b>37.1%</b>

<sup>5</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

# Matthews Japan Fund

## Portfolio Manager Commentary (unaudited) (continued)

shifted our portfolio's average market cap upwards. Second, we reduced multiple positions that worked as a "value play" within the portfolio, especially names where the majority of the returns were from pure re-ratings. Third, as the global purchase manufacturing index (PMI) stayed below 50 for the full 12 months of 2023, we started to look for names whose fundamentals are set to bottom out as we look toward 2024 and beyond. We took advantage of the market correction in October to initiate some cyclical growth names.

We initiated a position in real estate developer Mitsui Fudosan. We believe the company will continue to produce steady mid-single digit growth from vacancy rates peaking out in central Tokyo. We also look forward to its new management's stance towards achieving optimal return on equity through asset sales.

We have also re-initiated a position in medical device manufacturer Terumo. After meeting with the management team, we have built a conviction that multiple headwinds such as rising raw materials and logistics and manufacturing cost inflation have started to peak out. Terumo has also taken numerous steps, from shifting its manufacturing locations to raising prices. We initiated our position when the company's valuation level was in the lower end of its 10-year range.

To fund these positions, we exited several holdings including Amvis, Asahi Intecc, Bandai Namco, Baycurrent Consulting, Denso, Dip and eGuarantee.

### Outlook

After a strong finish to the close of 2023, the MSCI Japan Index is trading at 14.7x forward 12 months price-to-earnings ratio and 1.42x price-to-book ratio with a 2.24% dividend yield. Valuations have risen compared to 2022 year-end but still look sensible in an international context. Along with the long-term trend of corporate Japan achieving better through-the-cycle margins, recent activist investor activity is working as a clear catalyst for the corporate sector to further enhance shareholder returns via dividends and share buybacks.

Over the long term, we continue to believe the earnings capability of Japanese companies has improved meaningfully over the past economic cycle. As of year-end 2023, the Japanese equity market outperformed both the MSCI EAFE Index and the MSCI Emerging Markets Index in U.S. dollar terms. In other words, 'not owning Japan' is no longer a formula for outperformance for global investors. With the yen at a near quarter-century-low to the dollar, Japanese companies are in good health and domestically, a full year of reopening has resulted in record spending despite tourist numbers still below pre-COVID levels. We continue to believe there is a major perception and positioning gap of the Japanese equity market as an asset class in the global market context.

Overall, Japan continues to enjoy several tailwinds including a positive earnings cycle driven by moderate inflation, meaningful wage gains and policy driven reforms which are pushing companies to increase their corporate value via capital efficiencies and shareholder payouts. In addition, the recovery in inbound tourism plus the fact that Japan lacks the geopolitical headwinds of China is creating positive foreign inflows. 2023 saw an inflow of 3.2 trillion yen from foreign investors. While this is not small, it is only a fraction of the of the 11.8 trillion yen foreign investor outflow in the previous five-year period (2018-2022).

Our strategy continues to focus on investing in companies that can grow earnings through a relentless effort to achieve positive margin slope (long-term improvement in corporate margin levels). We are strong believers that these companies will be able to generate incremental returns over the long term. In sub-industries, we continue to be constructive in areas such as semiconductors, automation, software, healthcare service and technology, as well as global intellectual property (IP) owners.

COUNTRY ALLOCATION (%) <sup>6</sup>	
Japan	97.4
Cash and Other Assets, Less Liabilities	2.6

SECTOR ALLOCATION (%) <sup>6</sup>	
Information Technology	22.0
Industrials	20.9
Consumer Discretionary	20.1
Financials	10.6
Materials	6.3
Health Care	5.7
Consumer Staples	5.0
Communication Services	4.3
Real Estate	2.5
Cash and other Assets, Less Liabilities	2.6

MARKET CAP EXPOSURE (%) <sup>6</sup>	
Mega Cap (over \$25B)	50.3
Large Cap (\$10B-\$25B)	28.2
Mid Cap (\$3B-10B)	15.8
Small Cap (under \$3B)	3.1
Cash and Other Assets, Less Liabilities	2.6

<sup>6</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 97.4%

	Shares	Value		Shares	Value
<b>INFORMATION TECHNOLOGY: 22.0%</b>					
<b>Semiconductors &amp; Semiconductor Equipment: 8.0%</b>					
Renesas Electronics Corp. <sup>b</sup>	1,240,300	\$22,177,762			
Disco Corp.	68,000	16,793,743			
Tokyo Electron, Ltd.	76,900	13,668,196			
		<u>52,639,701</u>			
<b>IT Services: 5.5%</b>					
OBIC Co., Ltd.	89,400	15,381,723			
NEC Corp.	258,800	15,291,499			
Nomura Research Institute, Ltd.	180,400	5,239,309			
		<u>35,912,531</u>			
<b>Electronic Equipment, Instruments &amp; Components: 4.9%</b>					
Keyence Corp.	72,300	31,765,473			
<b>Technology Hardware, Storage &amp; Peripherals: 2.9%</b>					
FUJIFILM Holdings Corp.	317,300	19,015,720			
<b>Software: 0.7%</b>					
Appier Group, Inc. <sup>b</sup>	370,400	4,836,885			
<b>Total Information Technology</b>		<u>144,170,310</u>			
<b>INDUSTRIALS: 20.9%</b>					
<b>Industrial Conglomerates: 5.9%</b>					
Hitachi, Ltd.	338,700	24,362,601			
Hikari Tsushin, Inc.	88,300	14,593,247			
		<u>38,955,848</u>			
<b>Trading Companies &amp; Distributors: 5.7%</b>					
ITOCHU Corp.	368,300	15,004,487			
Mitsubishi Corp.	889,200	14,164,303			
Toyota Tsusho Corp.	144,700	8,491,313			
		<u>37,660,103</u>			
<b>Professional Services: 3.0%</b>					
Recruit Holdings Co., Ltd.	463,000	19,358,556			
<b>Electrical Equipment: 2.8%</b>					
Mitsubishi Electric Corp.	1,284,700	18,170,906			
<b>Construction &amp; Engineering: 2.0%</b>					
Kajima Corp.	779,100	12,990,865			
<b>Commercial Services &amp; Supplies: 1.5%</b>					
TOPPAN Holdings, Inc.	347,000	9,663,822			
<b>Total Industrials</b>		<u>136,800,100</u>			
<b>CONSUMER DISCRETIONARY: 20.1%</b>					
<b>Automobiles: 4.8%</b>					
Suzuki Motor Corp.	438,900	18,704,406			
Toyota Motor Corp.	711,200	13,031,830			
		<u>31,736,236</u>			
<b>Broadline Retail: 4.4%</b>					
Pan Pacific International Holdings Corp.	655,100	15,594,307			
Isetan Mitsukoshi Holdings, Ltd.	1,225,700	13,308,860			
		<u>28,903,167</u>			
<b>Specialty Retail: 4.3%</b>					
Fast Retailing Co., Ltd.	57,700	\$14,267,992			
ZOZO, Inc.	610,400	13,776,201			
		<u>28,044,193</u>			
<b>Household Durables: 3.9%</b>					
Sony Group Corp.	270,300	25,579,277			
<b>Hotels, Restaurants &amp; Leisure: 1.4%</b>					
Kyoritsu Maintenance Co., Ltd.	213,900	9,071,432			
<b>Textiles, Apparel &amp; Luxury Goods: 1.3%</b>					
Asics Corp.	261,400	8,159,945			
<b>Total Consumer Discretionary</b>		<u>131,494,250</u>			
<b>FINANCIALS: 10.6%</b>					
<b>Insurance: 4.0%</b>					
Tokio Marine Holdings, Inc.	1,066,500	26,556,910			
<b>Banks: 2.5%</b>					
Mitsubishi UFJ Financial Group, Inc.	1,916,400	16,446,806			
<b>Financial Services: 2.4%</b>					
ORIX Corp.	844,100	15,853,198			
<b>Consumer Finance: 1.7%</b>					
Credit Saison Co., Ltd.	593,400	10,903,775			
<b>Total Financials</b>		<u>69,760,689</u>			
<b>MATERIALS: 6.3%</b>					
<b>Chemicals: 6.3%</b>					
Shin-Etsu Chemical Co., Ltd.	874,500	36,574,358			
Mitsui Chemicals, Inc.	166,100	4,911,910			
<b>Total Materials</b>		<u>41,486,268</u>			
<b>HEALTH CARE: 5.7%</b>					
<b>Pharmaceuticals: 3.4%</b>					
Daiichi Sankyo Co., Ltd.	339,700	9,299,874			
Astellas Pharma, Inc.	545,000	6,481,833			
Sawai Group Holdings Co., Ltd.	169,400	6,249,476			
		<u>22,031,183</u>			
<b>Health Care Equipment &amp; Supplies: 2.3%</b>					
Terumo Corp.	471,600	15,421,796			
<b>Total Health Care</b>		<u>37,452,979</u>			
<b>CONSUMER STAPLES: 5.0%</b>					
<b>Food Products: 5.0%</b>					
Ajinomoto Co., Inc.	482,600	18,577,122			
Nissin Foods Holdings Co., Ltd.	406,200	14,184,436			
<b>Total Consumer Staples</b>		<u>32,761,558</u>			
<b>COMMUNICATION SERVICES: 4.3%</b>					
<b>Wireless Telecommunication Services: 2.0%</b>					
KDDI Corp.	402,900	12,779,386			
<b>Entertainment: 1.5%</b>					
Capcom Co., Ltd.	305,300	9,852,252			
<b>Diversified Telecommunication Services: 0.8%</b>					
Internet Initiative Japan, Inc.	265,700	5,421,033			
<b>Total Communication Services</b>		<u>28,052,671</u>			

*Schedule of Investments<sup>a</sup> (continued)*

**COMMON EQUITIES** *(continued)*

	Shares	Value
<b>REAL ESTATE: 2.5%</b>		
<b>Real Estate Management &amp; Development: 2.5%</b>		
Mitsui Fudosan Co., Ltd.	668,900	<u>\$16,354,407</u>
<b>Total Real Estate</b>		<u>16,354,407</u>
<b>TOTAL INVESTMENTS: 97.4%</b>		
		<b>638,333,232</b>
(Cost \$546,054,623)		
<b>CASH AND OTHER ASSETS,</b>		
<b>LESS LIABILITIES: 2.6%</b>		<u>17,164,777</u>
<b>NET ASSETS: 100.0%</b>		<u><b>\$655,498,009</b></u>

a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).

b Non-income producing security.

See accompanying notes to financial statements.





## PORTFOLIO MANAGERS

**Robert J. Horrocks, PhD**    **Kenneth Lowe, CFA**  
Lead Manager                      Lead Manager

**Siddarth Bhargava**        **Elli Lee**  
Co-Manager                        Co-Manager

## FUND FACTS

	Investor	Institutional
Ticker	MACSX	MICSX
CUSIP	577130206	577130842
Inception	9/12/94	10/29/10
NAV	\$12.57	\$12.54
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.15%	1.02%

### Portfolio Statistics

Total # of Positions	45
Net Assets	\$324.5 million
Weighted Average Market Cap	\$120.1 billion
Portfolio Turnover <sup>2</sup>	12.0%

### Benchmark

MSCI AC Asia ex Japan Index

## OBJECTIVE

Long-term capital appreciation. The Fund also seeks to provide some current income.

## STRATEGY

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in dividend-paying common stock, preferred stock and other equity securities, and convertible securities as well as fixed-income securities, of any duration or quality, including high yield securities, of companies located in Asia, which consists of all countries and markets in Asia, including developed, emerging and frontier countries and markets in the Asian region.

# Matthews Asian Growth and Income Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews Asian Growth and Income Fund returned 3.33% (Investor Class) and 3.39% (Institutional Class), while its benchmark, the MSCI All Country Asia ex Japan Index, returned 6.34% over the same period. For the fourth quarter, the Fund returned 6.10% (Investor Class) and 6.10% (Institutional Class), while the benchmark returned 6.48%.

### Market Environment

Asian markets rallied during the final quarter of the year, helping drive full-year performance into positive territory although lagging behind the returns of other major geographies. The year started brightly with the hope of a strong recovery in the Chinese economy after reopening from prior COVID restrictions. This was, however, short lived with markets in China peaking in January and then ending the year down double digits. Issues such as the challenged property market, soft consumer sentiment, regulatory changes, dampened animal spirits and geopolitical tensions all weighed on China as the market ended the year at around 9x earnings. Elsewhere in the region, India was again a strong performer rising over 20% as it benefited in part from capital flows as earnings delivery was robust while the political and monetary outlooks also appear supportive. The technology heavy markets of South Korea and Taiwan also made meaningful gains in 2023.

### Performance Contributors and Detractors

At the country level, the portfolio's underweights in India and Taiwan as well as stock selections in those markets were the biggest detractors to relative returns in 2023, in part because these markets outperformed the broader region. Stock selection within Thailand and an underweight to South Korea also hindered relative performance. Conversely, the portfolio's off-benchmark positions in the U.S. and Australia were significant contributors to relative returns as these markets delivered reasonable returns while the portfolio's stocks in these geographies gained meaningfully. Despite the negative of an overweight in China/Hong Kong, stock selection there helped relative performance, as did stock selection within Indonesia.

At the sector level, stock selection in the areas of consumer discretionary and financials detracted from relative performance. On the other hand, stock selection within real estate and industrials contributed.

At the holdings level, one of the largest detractors to relative performance for the year was Chinese auto dealership company Zhongsheng Group. The stock's drop may have been driven by concerns around new car margins as well as overall new car sale volumes. JD.com, a major internet retailer in China, also fell significantly, likely given the backdrop of a soft consumer as well as rising competitive intensity in the industry. Digital Telecommunications Infrastructure Fund in Thailand, an entity that owns telecom infrastructure, detracted from returns as concerns exist around rising interest rates and the possibility of reduced leases. Leading regional life insurer AIA Group also detracted. Although the company continued to deliver what we believe was robust value of new business growth, the stock was weak. This is potentially due to concerns over the growth and margin profile of its expansion in China combined with overall negative sentiment for the market.

On the other hand, the largest contributor to relative performance was semiconductor and infrastructure software company Broadcom. The stock rose significantly during the year as earnings increased by double digits with management stating this was "driven by investments in accelerators and network connectivity

(continued)

<sup>1</sup> Actual 2023 expense ratios.

<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns						Inception Date
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception	
Investor Class (MACSX)	6.10%	3.33%	-5.53%	2.78%	1.81%	7.61%	9/12/94
Institutional Class (MICSX)	6.10%	3.39%	-5.42%	2.92%	1.95%	3.05%	10/29/10
MSCI AC Asia ex Japan Index <sup>3</sup>	6.48%	6.34%	-6.43%	4.01%	4.17%	4.13% <sup>4</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance, visit [matthewsasias.com](http://matthewsasias.com).*

## INCOME DISTRIBUTION HISTORY

	2023			2022		
	June	December	Total	June	December	Total
Investor (MACSX)	\$0.17	\$0.18	\$0.34	\$0.08	\$0.13	\$0.21
Inst'l (MICSX)	\$0.17	\$0.19	\$0.36	\$0.09	\$0.14	\$0.23

Note: This table does not include capital gains distributions. Totals may differ by \$0.02 due to rounding. For income distribution history, visit [matthewsasias.com](http://matthewsasias.com).

### 30-DAY YIELD:

2.82% (Investor Class); 2.79% (Institutional Class)

The 30-Day Yield represents net investment income earned by the Fund over the 30-day period ended 12/31/23, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. The 30-Day Yield should be regarded as an estimate of the Fund's rate of investment income, and it may not equal the Fund's actual income distribution rate.

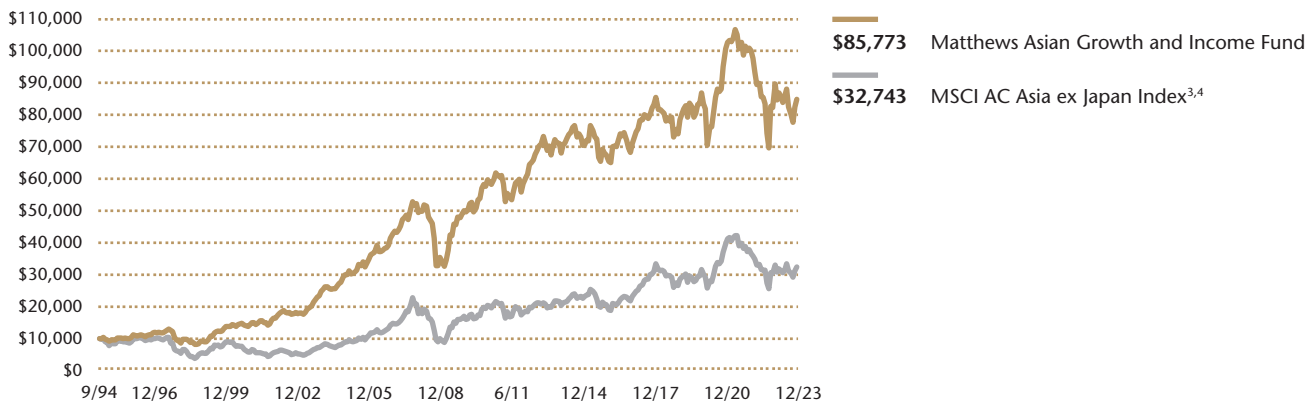
Source: BNY Mellon Investment Servicing (US) Inc.

### DIVIDEND YIELD: 3.47%

The dividend yield (trailing) for the portfolio is the weighted average sum of the dividends paid by each equity security held by the Fund over the 12 months ended 12/31/23 divided by the current price of each equity as of 12/31/23. The annualized dividend yield for the Fund is for the equity-only portion of the portfolio. Please note that this is based on gross equity portfolio holdings and does not reflect the actual yield an investor in the Fund would receive. Past yields are no guarantee of future yields.

Source: FactSet Research Systems, Bloomberg, MICM

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

3 It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

4 Calculated from 8/31/94.

## TOP TEN HOLDINGS<sup>5</sup>

Name	Sector	Country	% Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	Taiwan	8.4%
Alia Group, Ltd.	Financials	China/Hong Kong	4.7%
HDFC Bank, Ltd.	Financials	India	4.5%
Tencent Holdings, Ltd.	Communication Services	China/Hong Kong	4.2%
Samsung Electronics Co., Ltd.	Information Technology	South Korea	3.6%
Pharmaron Beijing Co., Ltd., Cnv., 0.000%, 06/18/2026	Health Care	China/Hong Kong	2.6%
PT Bank Rakyat Indonesia Persero Tbk	Financials	Indonesia	2.5%
Tata Consultancy Services, Ltd.	Information Technology	India	2.5%
Macquarie Korea Infrastructure Fund	Financials	South Korea	2.5%
HKT Trust & HKT, Ltd.	Communication Services	China/Hong Kong	2.4%
<b>% OF ASSETS IN TOP 10</b>			<b>37.9%</b>

5 Holdings may combine more than one security from same issuer and related depositary receipts.

# Matthews Asian Growth and Income Fund

## Portfolio Manager Commentary (unaudited) (continued)

for AI by hyperscalers.” The company also completed the major acquisition of VMware. Chinese games company Netease gained over the full year despite concerns at year end around potential new regulations that may impact monetization. This was, to an extent, likely due to strong operational delivery coming in part from a solid game portfolio that includes newer titles as well as robust cost control. Australian gaming content and machine company Aristocrat Leisure rallied during the year. Solid earnings growth alongside the potential of its entry into real money gaming may have helped the stock perform. Elsewhere in technology, industry behemoths TSMC and Samsung gained and were significant contributors to total returns.

### Notable Portfolio Changes

We added new positions in a convertible bond of Xero Investments Ltd., a New Zealand-listed cloud-based accounting software company, in two convertible bonds of Taiwanese connector business Bizlink, and in an exchangeable bond of Straits Trading Co. that could convert into ESR Group. These were added as we believe that they are offerings in solid companies with robust credit quality that also offer attractive terms including reasonable yields.

During the year, we exited our equity holdings in CK Hutchison, Venture Corp., and Sanofi India. Beyond this, a holding in a convertible bond of ESR Group was put back to the company while a convertible bond in China Conch Venture also matured.

### Outlook

Monetary policy expectations for the U.S. in 2024 have changed meaningfully in recent months, with hopes that interest rates have peaked and that cuts will return. This helped to propel markets upward as 2023 drew to a close and the trajectory of these alterations, in conjunction with how contained inflation actually is and whether the U.S. can attain a soft landing, will all play a role in determining market movements over the next year. These will also, in part, determine stock prices in Asia in the near term as it may allow some easing while the U.S. dollar could also be impacted. Beyond this, we continue to remain concerned about the challenges that China faces within its own economy as well as broader geopolitical tensions that appear to be structural in nature. While these are reasons for caution there are also reasons to be constructive; weak sentiment, policy flexibility, appealing valuations and an earnings base that companies have potential to grow from, being a few. In India, although valuations are expensive, structural earnings growth appears intact while Taiwan and Korea are also expected to grow reasonably in 2024.

Given what may be a peak in the cost of capital, robust valuations of 12x FY24 earnings and EPS growth expected to be over 19% for the region in 2024, the outlook for Asia appears solid although scope for volatility remains. We continue to think that a focus on investing in what we believe to be quality companies at reasonable prices that also generally provide some form of current income is well placed to deliver for clients over the long term.

COUNTRY ALLOCATION (%) <sup>6,7</sup>	
China/Hong Kong	40.0
Taiwan	14.5
India	12.0
South Korea	9.6
Singapore	7.8
France	3.5
Indonesia	2.5
Philippines	1.9
New Zealand	1.7
Thailand	1.6
United States	1.5
Australia	1.3
Cash and other Assets, Less Liabilities	2.2

SECTOR ALLOCATION (%) <sup>7</sup>	
Financials	21.9
Information Technology	21.5
Communication Services	11.8
Consumer Discretionary	11.5
Industrials	10.9
Consumer Staples	5.8
Real Estate	5.3
Health Care	3.9
Utilities	3.3
Materials	1.8
Cash and other Assets, Less Liabilities	2.2

MARKET CAP EXPOSURE (%) <sup>7</sup>	
Mega Cap (over \$25B)	50.1
Large Cap (\$10B–\$25B)	16.8
Mid Cap (\$3B–10B)	19.1
Small Cap (under \$3B)	11.8
Cash and Other Assets, Less Liabilities	2.2

ASSET TYPE BREAKDOWN (%) <sup>7,8</sup>	
Common Equities and ADRs	89.6
Convertible Corporate Bonds	8.1
Cash and Other Assets, Less Liabilities	2.2

6 Not all countries where the Fund may invest are included in the benchmark index.

7 Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

8 Bonds are not included in the MSCI All Country Asia ex Japan Index.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 89.7%

	Shares	Value
<b>CHINA/HONG KONG: 37.4%</b>		
AIA Group, Ltd.	1,768,000	\$15,386,696
Tencent Holdings, Ltd.	362,300	13,678,590
HKT Trust & HKT, Ltd.	6,606,000	7,887,090
Inner Mongolia Yili Industrial Group Co., Ltd. A Shares	1,925,875	7,232,726
Midea Group Co., Ltd. A Shares	915,430	7,020,415
NetEase, Inc. ADR	63,496	5,915,287
Link REIT	1,049,540	5,893,225
NARI Technology Co., Ltd. A Shares	1,878,190	5,881,504
Wuliangye Yibin Co., Ltd. A Shares	296,674	5,845,201
BOC Hong Kong Holdings, Ltd.	2,085,000	5,663,958
JD.com, Inc. Class A	386,652	5,584,450
Guangdong Investment, Ltd.	7,464,000	5,432,778
Techtronic Industries Co., Ltd.	450,500	5,367,749
ENN Natural Gas Co., Ltd. A Shares	2,258,377	5,330,383
Yum China Holdings, Inc.	124,408	5,278,631
Jiangsu Expressway Co., Ltd. H Shares	5,862,000	5,274,600
Zhongsheng Group Holdings, Ltd.	1,841,000	4,409,621
Qingdao Haier Biomedical Co., Ltd. A Shares	746,692	4,245,511
<b>Total China/Hong Kong</b>		<b>121,328,415</b>
<b>TAIWAN: 12.6%</b>		
Taiwan Semiconductor Manufacturing Co., Ltd.	1,423,187	27,284,703
Chailease Holding Co., Ltd.	1,073,703	6,746,878
Advantech Co., Ltd.	557,078	6,741,425
<b>Total Taiwan</b>		<b>40,773,006</b>
<b>INDIA: 12.0%</b>		
HDFC Bank, Ltd.	717,197	14,685,341
Tata Consultancy Services, Ltd.	177,362	8,077,757
Computer Age Management Services, Ltd.	173,357	5,519,204
Embassy Office Parks REIT	1,368,465	5,338,928
Crompton Greaves Consumer Electricals, Ltd.	1,423,290	5,315,009
<b>Total India</b>		<b>38,936,239</b>
<b>SOUTH KOREA: 9.6%</b>		
Samsung Electronics Co., Ltd.	192,940	11,710,848
Macquarie Korea Infrastructure Fund	829,370	8,009,734
LEENO Industrial, Inc.	36,912	5,776,917
SK Telecom Co., Ltd.	145,910	5,668,586
<b>Total South Korea</b>		<b>31,166,085</b>
<b>SINGAPORE: 5.9%</b>		
Singapore Technologies Engineering, Ltd.	2,316,625	6,821,775
United Overseas Bank, Ltd.	292,500	6,313,088
CapitaLand Ascendas REIT	2,652,284	6,080,556
<b>Total Singapore</b>		<b>19,215,419</b>
<b>FRANCE: 3.5%</b>		
Pernod Ricard SA	31,736	5,608,444
LVMH Moët Hennessy Louis Vuitton SE	6,902	5,608,131
<b>Total France</b>		<b>11,216,575</b>
<b>INDONESIA: 2.5%</b>		
PT Bank Rakyat Indonesia Persero Tbk	21,913,472	8,144,534
<b>Total Indonesia</b>		<b>8,144,534</b>

	Shares	Value
<b>PHILIPPINES: 1.9%</b>		
Bank of the Philippine Islands	3,297,776	\$6,178,281
<b>Total Philippines</b>		<b>6,178,281</b>
<b>THAILAND: 1.5%</b>		
Digital Telecommunications Infrastructure Fund F Shares	22,405,700	5,044,322
<b>Total Thailand</b>		<b>5,044,322</b>
<b>UNITED STATES: 1.5%</b>		
Broadcom, Inc.	4,272	4,768,620
<b>Total United States</b>		<b>4,768,620</b>
<b>AUSTRALIA: 1.3%</b>		
Aristocrat Leisure, Ltd.	147,098	4,086,902
<b>Total Australia</b>		<b>4,086,902</b>
<b>TOTAL COMMON EQUITIES</b>		<b>290,858,398</b>
(Cost \$294,424,289)		

CONVERTIBLE CORPORATE BONDS: 8.1%

	Face Amount <sup>*</sup>	
<b>CHINA/HONG KONG: 2.6%</b>		
Pharmaron Beijing Co., Ltd., Cnv. 0.000%, 06/18/26 <sup>b</sup>	8,900,000	8,544,003
<b>Total China/Hong Kong</b>		<b>8,544,003</b>
<b>TAIWAN: 2.0%</b>		
Bizlink Holding, Inc., Cnv. 0.000%, 01/12/27 <sup>b</sup>	4,200,000	4,196,338
Bizlink Holding, Inc., Cnv. 0.000%, 01/30/28 <sup>b</sup>	2,000,000	2,157,475
<b>Total Taiwan</b>		<b>6,353,813</b>
<b>SINGAPORE: 1.8%</b>		
Straits Trading Co., Ltd., Cnv. 3.250%, 02/13/28 <sup>b</sup>	SGD 9,000,000	5,947,784
<b>Total Singapore</b>		<b>5,947,784</b>
<b>NEW ZEALAND: 1.7%</b>		
Xero Investments, Ltd., Cnv. 0.000%, 12/02/25 <sup>b</sup>	6,184,000	5,522,312
<b>Total New Zealand</b>		<b>5,522,312</b>
<b>TOTAL CONVERTIBLE CORPORATE BONDS</b>		<b>26,367,912</b>
(Cost \$21,445,648)		
<b>TOTAL INVESTMENTS: 97.8%</b>		<b>317,226,310</b>
(Cost \$315,869,937)		
<b>CASH AND OTHER ASSETS, LESS LIABILITIES: 2.2%</b>		<b>7,237,374</b>
<b>NET ASSETS: 100.0%</b>		<b>\$324,463,684</b>

*Schedule of Investments<sup>a</sup> (continued)*

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
  - b The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
  - \* All Values in USD unless otherwise specified.
- ADR American Depositary Receipt  
Cnv. Convertible  
REIT Real Estate Investment Trust  
SGD Singapore Dollar  
USD U.S. Dollar

See accompanying notes to financial statements.



**PORTFOLIO MANAGERS**

**Robert Horrocks, PhD**  
Lead Manager

**Siddarth Bhargava**  
Co-Manager

**Elli Lee**  
Co-Manager

**Kenneth Lowe, CFA**  
Lead Manager

**Winnie Chwang**  
Co-Manager

**FUND FACTS**

	Investor	Institutional
Ticker	MAPIX	MIPIX
CUSIP	577125107	577130750
Inception	10/31/06	10/29/10
NAV	\$13.70	\$13.68
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.10%	0.99%

**Portfolio Statistics**

Total # of Positions	55
Net Assets	\$1.1 billion
Weighted Average Market Cap	\$77.5 billion
Portfolio Turnover <sup>2</sup>	75.9%

**Benchmark**

MSCI AC Asia Pacific Index

**OBJECTIVE**

Total return with an emphasis on providing current income.

**STRATEGY**

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in dividend-paying equity securities of companies located in Asia. Asia consists of all countries and markets in Asia, and includes developed, emerging and frontier countries and markets in the Asian region. The Fund may also invest in convertible debt and equity securities of companies located in Asia.

# Matthews Asia Dividend Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews Asia Dividend Fund returned 4.69% (Investor Class) and 4.77% (Institutional Class), while its benchmark, the MSCI All Country Asia Pacific Index, returned 11.81% over the same period. For the fourth quarter, the Fund returned 7.08% (Investor Class) and 7.04% (Institutional Class), while the benchmark returned 8.00%.

### Market Environment

Asia Pacific markets rallied during the final quarter of the year, helping drive full-year performance to a respectable double-digit level although this did lag behind the returns of other major geographies. The year started brightly with the hope of a strong recovery in the Chinese economy—after reopening from prior COVID restrictions—alongside robust performance from other markets. This was, however, short lived for China, with markets there peaking in January and ending the year in negative territory. Issues such as the challenged property market, soft consumer sentiment, regulatory changes, dampened animal spirits and geopolitical tensions all weighed on China as the market ended the year at around 9 x earnings. Much of the rest of the region proved more fruitful for investors during 2023. India was again a strong performer rising over 20% as it benefited in part from capital flows as earnings delivery was robust while the political and monetary outlooks also appear supportive. Japan similarly gained as reasonable earnings growth was accompanied by a continuation of improvements in areas such as corporate governance and shareholder returns. The technology heavy markets of South Korea and Taiwan also made meaningful gains in 2023.

### Performance Contributors and Detractors

At the country level, the portfolio's overweight and stock selection in Hong Kong/China was the largest detractor to total and relative returns in 2023 in part because this market suffered relative to the broader region. Stock selection in Japan also hurt relative performance as did underweights and stock selection in Taiwan and India. Conversely, the portfolio's off-benchmark position in Vietnam aided relative performance while stock selection in Australia and Indonesia was also positive.

At the sector level, stock selection in consumer discretionary was the biggest detractor to total and relative returns. Stock selection and a slight underweight in industrials also detracted. On the other hand, the portfolio's stock selection within information technology (IT) was the biggest contributor to total and relative returns despite the negative of a slight underweight position. Allocation and stock selection in utilities and energy also contributed to relative performance.

At the stock level, some of the largest detractors to relative performance for the year came from companies within China. Duty free retailer China Tourism Group Duty Free Corp. was the worst performer and the biggest detractor to returns, potentially due to disappointing earnings as well as the possibility of rising competition in certain markets. Online retailer JD.com also fell significantly, likely given the backdrop of a soft consumer as well as rising competitive intensity in the industry. Logistics and distribution company Milkyway Chemical Supply Chain Service similarly dropped alongside weaker-than expected-earnings while consumer-oriented companies Wuliangye Yibin and Yum China were also detractors amid domestic macro headwinds. For Yum China, there also appear to be worries around competitive pressures.

(continued)

<sup>1</sup> Actual 2023 expense ratios.

<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	3 Months	1 Year	Average Annual Total Returns				Inception Date
			3 Years	5 Years	10 Years	Since Inception	
Investor Class (MAPIX)	7.08%	4.69%	-10.52%	0.89%	2.85%	6.09%	10/31/06
Institutional Class (MIPIX)	7.04%	4.77%	-10.44%	0.99%	2.96%	4.03%	10/29/10
MSCI AC Asia Pacific Index <sup>3</sup>	8.00%	11.81%	-2.82%	5.70%	4.60%	4.18% <sup>4</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance, visit [matthewsasiasia.com](http://matthewsasiasia.com).*

## INCOME DISTRIBUTION HISTORY

	2023					2022				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Investor (MAPIX)	\$0.05	\$0.00	\$0.07	\$0.04	\$0.15	\$0.05	\$0.04	\$0.02	\$0.01	\$0.11
Inst'l (MIPIX)	\$0.05	\$0.00	\$0.08	\$0.04	\$0.17	\$0.06	\$0.04	\$0.02	\$0.01	\$0.13

Note: This table does not include capital gains distributions. Totals may differ by \$0.02 due to rounding and a return of capital. For distribution history please visit [matthewsasiasia.com](http://matthewsasiasia.com).

### 30-DAY YIELD:

2.45% (Investor Class); 2.10% (Institutional Class)

The 30-Day Yield represents net investment income earned by the Fund over the 30-day period ended 12/31/23, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. The 30-Day Yield should be regarded as an estimate of the Fund's rate of investment income, and it may not equal the Fund's actual income distribution rate.

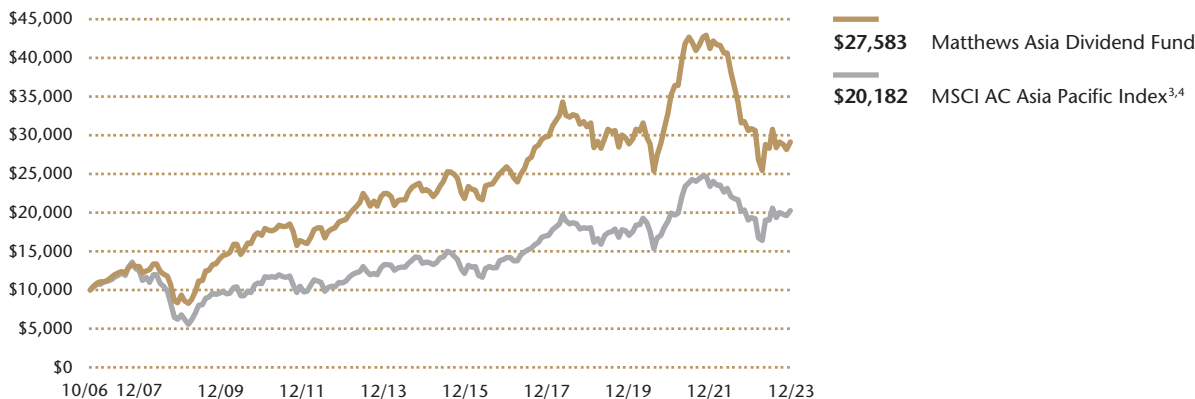
Source: BNY Mellon Investment Servicing (US) Inc.

### DIVIDEND YIELD: 2.97%

The dividend yield (trailing) for the portfolio is the weighted average sum of the dividends paid by each equity security held by the Fund over the 12 months ended 12/31/23 divided by the current price of each equity as of 12/31/23. The annualized dividend yield for the Fund is for the equity-only portion of the portfolio. Please note that this is based on gross equity portfolio holdings and does not reflect the actual yield an investor in the Fund would receive. Past yields are no guarantee of future yields.

Source: FactSet Research Systems, Bloomberg, MICM.

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>3</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

<sup>4</sup> Calculated from 10/31/06.

## TOP TEN HOLDINGS<sup>5</sup>

Name	Sector	Country	% Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	Taiwan	4.7%
ITOCHU Corp.	Industrials	Japan	2.8%
HDFC Bank, Ltd.	Financials	India	2.7%
PT Bank Rakyat Indonesia Persero Tbk	Financials	Indonesia	2.5%
Samsung Electronics Co., Ltd.	Information Technology	South Korea	2.5%
ORIX Corp.	Financials	Japan	2.4%
AIA Group, Ltd.	Financials	China/Hong Kong	2.3%
Tokio Marine Holdings, Inc.	Financials	Japan	2.3%
Tencent Holdings, Ltd.	Communication Services	China/Hong Kong	2.2%
Shin-Etsu Chemical Co., Ltd.	Materials	Japan	2.2%
<b>% OF ASSETS IN TOP 10</b>			<b>26.6%</b>

<sup>5</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

## Matthews Asia Dividend Fund

### *Portfolio Manager Commentary (unaudited) (continued)*

The best performer and largest contributor to returns came from Japan, with semiconductor equipment manufacturer Disco Corp. posting a significant gain. A leader in precision processing equipment for cutting, grinding and polishing, the stock moved up in part due to its exposure to solid growth areas such as generative artificial intelligence (AI) and power semiconductors. Fellow Japanese company Shin-Etsu Chemical was a significant contributor to returns and gained on hopes of improving outlooks for certain end markets such as semiconductors. Australian small appliance company Breville Group also aided returns as its medium-term growth outlook still appears to be robust in areas such as its core coffee offering. Mega cap Samsung Electronics was a significant contributor to absolute returns while Indian transmission business Power Grid also gained.

#### **Notable Portfolio Changes**

The portfolio underwent significant alterations during the course of the year in a bid to change certain country and sector allocations as well as to help to improve the portfolio's balance of growth and yield while also attempting to ensure that the portfolio was one with a bias toward what we believe to be quality companies. This led to a reduction in the weightings of Vietnam and China, with increases in areas such as Japan, Hong Kong, and Taiwan. At a sector level, weightings in areas such as consumer discretionary, health care, and industrials declined while financials, IT and consumer staples, among others, all rose.

These adjustments led to a substantially higher turnover for the portfolio during 2023 than should be expected going forward as we aim to be long-term investors in businesses that we allocate our shareholders' capital toward.

Fourth quarter activity was notably lower. We exited positions in leading medical device and endoscope maker Olympus Corp. in Japan as well as in China Tourism Group Duty Free given declining conviction in both holdings.

#### **Outlook**

Monetary policy expectations for the U.S. in 2024 have changed meaningfully in recent months with hopes that interest rates have peaked and that cuts will return. This helped to propel markets upward as 2023 drew to a close and the trajectory of these alterations, in conjunction with how contained inflation actually is and whether the U.S. can attain a soft landing, will all play a role in determining market movements over the next year. These will also, in part, determine stock prices in Asia in the near term as it may allow some easing while the U.S. dollar could also be impacted. Beyond this, we continue to remain concerned about the challenges that China faces within its own economy as well as broader geopolitical tensions that appear to be structural in nature. While these are reasons for caution there are also reasons to be constructive; weak sentiment, policy flexibility, appealing valuations and an earnings base that companies have potential to grow from, being a few. In India, although valuations are expensive, structural earnings growth appears intact while Taiwan and Korea are also expected to grow reasonably in 2024. For Japan, the positive forces of corporate governance improvements and increasing shareholder returns appear to still be in place although it is important to monitor the potential for the end of negative interest rates alongside currency movements and the possible implications that this may have for select sectors.

Given what may be a peak in the cost of capital, robust valuations of 12.2x FY24 earnings and EPS growth expected to be over 14% for the region in 2024, the outlook for Asia Pacific appears solid although scope for volatility remains. We continue to think that a focus on investing in what we believe to be quality companies at reasonable prices that also generally provide some form of current income is well placed to deliver for clients over the long term.

COUNTRY ALLOCATION (%) <sup>6,7</sup>	
Japan	31.9
China/Hong Kong	26.6
Australia	10.4
Taiwan	8.9
India	8.3
South Korea	6.5
Singapore	3.5
Indonesia	2.5
Thailand	1.6
Vietnam	1.5
Bangladesh	0.5
Liabilities in Excess of Cash and Other Assets	-2.2

SECTOR ALLOCATION (%) <sup>7</sup>	
Financials	20.2
Information Technology	17.6
Consumer Discretionary	14.0
Communication Services	11.4
Consumer Staples	10.7
Industrials	10.4
Real Estate	5.0
Materials	3.8
Health Care	3.6
Utilities	3.5
Energy	2.0
Liabilities in Excess of Cash and Other Assets	-2.2

MARKET CAP EXPOSURE (%) <sup>7</sup>	
Mega Cap (over \$25B)	51.6
Large Cap (\$10B-\$25B)	20.9
Mid Cap (\$3B-10B)	19.2
Small Cap (under \$3B)	10.6
Liabilities in Excess of Cash and Other Assets	-2.2

<sup>6</sup> Not all countries where the Fund may invest are included in the benchmark index.

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.



Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 102.2%

	Shares	Value
<b>JAPAN: 31.9%</b>		
ITOCHU Corp.	711,600	\$28,990,478
ORIX Corp.	1,329,300	24,965,829
Tokio Marine Holdings, Inc.	973,200	24,233,648
Shin-Etsu Chemical Co., Ltd.	556,100	23,257,862
Suzuki Motor Corp.	540,800	23,047,033
Nissin Foods Holdings Co., Ltd.	597,900	20,878,567
Ajinomoto Co., Inc.	485,400	18,684,905
Capcom Co., Ltd.	576,500	18,604,072
KDDI Corp.	570,000	18,079,548
Keyence Corp.	40,000	17,574,259
GLP J-Reit	17,414	17,334,575
Bandai Namco Holdings, Inc.	848,000	16,958,510
Kakaku.com, Inc.	1,347,400	16,647,750
Hikari Tsushin, Inc.	99,900	16,510,367
Toray Industries, Inc.	3,185,500	16,500,959
Disco Corp.	66,400	16,398,596
Nomura Research Institute, Ltd.	561,500	16,307,493
<b>Total Japan</b>		<b>334,974,451</b>
<b>CHINA/HONG KONG: 26.6%</b>		
AIA Group, Ltd.	2,828,000	24,611,752
Tencent Holdings, Ltd.	625,300	23,608,122
Inner Mongolia Yili Industrial Group Co., Ltd. A Shares	6,048,443	22,715,248
Midea Group Co., Ltd. A Shares	2,781,641	21,432,964
NARI Technology Co., Ltd. A Shares	6,311,168	19,763,261
Link REIT	3,409,320	19,143,518
NetEase, Inc.	1,058,000	19,088,006
Wuliangye Yibin Co., Ltd. A Shares	937,400	18,469,066
Techtronic Industries Co., Ltd.	1,452,500	17,306,670
Minth Group, Ltd.	8,457,000	17,105,390
JD.com, Inc. Class A	1,174,383	16,961,721
Yum China Holdings, Inc.	398,932	16,926,685
Guangdong Investment, Ltd.	22,972,000	16,720,495
Yuexiu Transport Infrastructure, Ltd.	29,292,000	15,938,453
Milkyway Chemical Supply Chain Service Co., Ltd. A Shares	1,387,974	10,366,655
<b>Total China/Hong Kong</b>		<b>280,158,006</b>
<b>AUSTRALIA: 10.4%</b>		
Ampol, Ltd.	862,270	21,250,768
CSL, Ltd.	106,366	20,735,958
Breville Group, Ltd.	950,467	17,638,141
Lottery Corp., Ltd.	5,266,480	17,377,248
AUB Group, Ltd.	905,141	17,133,089
Treasury Wine Estates, Ltd.	2,073,536	15,256,041
<b>Total Australia</b>		<b>109,391,245</b>
<b>TAIWAN: 8.9%</b>		
Taiwan Semiconductor Manufacturing Co., Ltd.	1,873,469	35,917,308
Chailease Holding Co., Ltd.	3,549,580	22,304,662
Delta Electronics, Inc.	2,097,000	21,386,110
Taiwan Semiconductor Manufacturing Co., Ltd. ADR	134,919	14,031,576
<b>Total Taiwan</b>		<b>93,639,656</b>

	Shares	Value
<b>INDIA: 8.3%</b>		
HDFC Bank, Ltd.	1,390,692	\$28,475,839
Tata Consultancy Services, Ltd.	484,547	22,068,159
Power Grid Corp. of India, Ltd.	6,968,366	19,848,320
Hindustan Unilever, Ltd.	526,005	16,830,762
<b>Total India</b>		<b>87,223,080</b>
<b>SOUTH KOREA: 6.5%</b>		
Samsung Electronics Co., Ltd.	435,809	26,452,229
Macquarie Korea Infrastructure Fund	2,394,158	23,121,851
SK Telecom Co., Ltd.	487,502	18,939,394
<b>Total South Korea</b>		<b>68,513,474</b>
<b>SINGAPORE: 3.5%</b>		
United Overseas Bank, Ltd.	972,000	20,978,878
Capitaland India Trust	18,678,300	16,134,315
<b>Total Singapore</b>		<b>37,113,193</b>
<b>INDONESIA: 2.5%</b>		
PT Bank Rakyat Indonesia Persero Tbk	71,750,984	26,667,536
<b>Total Indonesia</b>		<b>26,667,536</b>
<b>THAILAND: 1.6%</b>		
Bangkok Dusit Medical Services Public Co., Ltd. F Shares	21,102,100	16,997,974
<b>Total Thailand</b>		<b>16,997,974</b>
<b>VIETNAM: 1.5%</b>		
FPT Corp.	3,880,821	15,359,353
<b>Total Vietnam</b>		<b>15,359,353</b>
<b>BANGLADESH: 0.5%</b>		
GrameenPhone, Ltd.	2,178,982	5,193,820
<b>Total Bangladesh</b>		<b>5,193,820</b>
<b>TOTAL INVESTMENTS: 102.2%</b>		<b>1,075,231,788</b>
(Cost \$1,081,806,043)		

**LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS: (2.2%)** **(23,558,181)**

**NET ASSETS: 100.0%** **\$1,051,673,607**

<sup>a</sup> Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).

ADR American Depositary Receipt

REIT Real Estate Investment Trust

See accompanying notes to financial statements.



**PORTFOLIO MANAGERS**

**Sherwood Zhang, CFA** Lead Manager  
**Winnie Chwang** Lead manager  
**Elli Lee** Co-Manager  
**Andrew Mattock, CFA** Co-Manager

**FUND FACTS**

	Investor	Institutional
Ticker	MCDFX	MICDX
CUSIP	577125305	577130735
Inception	11/30/09	10/29/10
NAV	\$10.71	\$10.70
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio <sup>1</sup>	1.17%	1.04%

**Portfolio Statistics**

Total # of Positions	35
Net Assets	\$118.7 million
Weighted Average Market Cap	\$74.2 billion
Portfolio Turnover <sup>2</sup>	27.3%

**Benchmark**

MSCI China Index

**OBJECTIVE**

Total return with an emphasis on providing current income.

**STRATEGY**

Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in dividend-paying equity securities of companies located in China. China includes its administrative and other districts, such as Hong Kong. The Fund may also invest in convertible debt and equity securities of companies located in China.

# Matthews China Dividend Fund

## Portfolio Manager Commentary (unaudited)

### Performance

For the year ending December 31, 2023, the Matthews China Dividend Fund returned -20.67% (Investor Class) and -20.58% (Institutional Class), while its benchmark, the MSCI China Index, returned -11.04% over the same period. For the fourth quarter, the Fund returned -8.38% (Investor Class) and -8.36% (Institutional Class), while the benchmark returned -4.21%.

### Market Environment

2023 was a disappointing year for Chinese equities and the Chinese economy overall. It's disappointing, in our view, not just in the sense of the underwhelming recovery of Chinese consumer spending post-COVID lockdowns but also due to the lack of any significant stimulus measures by the government. Although the government did start to gradually loosen property purchase-restrictions across most cities in China, the expectations of potential home buyers regarding future house prices and their own income levels have changed. As a result, these policy changes barely helped to arrest the slump in the real estate market. As the year progressed, investors gradually gave up on the idea that the Chinese central government would step in to engineer a stronger consumption rebound.

The challenging real estate market and the soft consumption environment have combined to create a potential formula for deflation, in our view. From what we can see, many entrepreneurs—whose animal spirits were curbed during the COVID period—are now hesitating to start any new investments in this environment. From a geopolitical standpoint, the highly anticipated Biden-Xi summit in San Francisco in November didn't really impact the ongoing concerns of the market. And staying at the macro level, Chinese equities were a key exception in a November global equities rally that followed signals by U.S. Federal Reserve Chairman Jay Powell that the U.S. interest rate-upcycle was near an end.

### Performance Contributors and Detractors

An overweight to small- and mid-cap stocks detracted from relative returns in 2023 as these holdings were hurt by the weakness of China's economic recovery. Stock selection in mega caps also detracted.

At the sector level, stock selection in consumer discretionary, financials and real estate were the biggest detractors to total and relative returns in the period. On the flip side, stock selection in communication services was the top contributor. The portfolio's cash position also helped cushion some downside during the year.

At the holdings level, Xtep International, a sportswear company, was the worst performer and second-biggest detractor to relative returns. While the company's business has been strong in recent years, the market has started to worry about the inventory condition of the whole industry and whether domestic brands will lose market share to global brands. Alibaba Group was among the biggest detractors to total return, largely as a result of the company abruptly walking back a plan to separate and spin off its cloud business. China Education Group, a provider of vocational education services, was another detractor after the company reported increased impairment losses, narrowing margins and weaker profitability in its full-year results.

On the other hand, CITIC Telecom International Holdings, the parent company of Macau's leading fixed line and mobile telecom operator, was the top contributor to total and relative returns during the year, as the company maintained a stable

(continued)

<sup>1</sup> Actual 2023 expense ratios.

<sup>2</sup> The lesser of fiscal year 2023 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.

## PERFORMANCE AS OF DECEMBER 31, 2023

	Average Annual Total Returns						Inception Date
	3 Months	1 Year	3 Year	5 Year	10 Years	Since Inception	
Investor Class (MCDFX)	-8.38%	-20.67%	-13.06%	-1.25%	3.12%	5.42%	11/30/09
Institutional Class (MICDX)	-8.36%	-20.58%	-12.93%	-1.12%	3.28%	4.52%	10/29/10
MSCI China Index <sup>3</sup>	-4.21%	-11.04%	-18.31%	-2.65%	1.03%	1.43% <sup>4</sup>	

*Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. For the Fund's most recent month-end performance, visit [matthewsasiasia.com](http://matthewsasiasia.com).*

## INCOME DISTRIBUTION HISTORY

	2023			2022		
	June	December	Total	June	December	Total
Investor (MCDFX)	\$0.33	\$0.11	\$0.44	\$0.42	\$0.11	\$0.52
Inst'l (MICDX)	\$0.34	\$0.12	\$0.46	\$0.43	\$0.12	\$0.54

Note: This table does not include capital gains distributions. Totals may differ by \$0.02 due to rounding. For income distribution history, visit [matthewsasiasia.com](http://matthewsasiasia.com).

### 30 DAY YIELD:

2.29% (Investor Class); 1.87% (Institutional Class)

The 30-Day Yield represents net investment income earned by the Fund over the 30-day period ended 12/31/23, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. The 30-Day Yield should be regarded as an estimate of the Fund's rate of investment income, and it may not equal the Fund's actual income distribution rate.

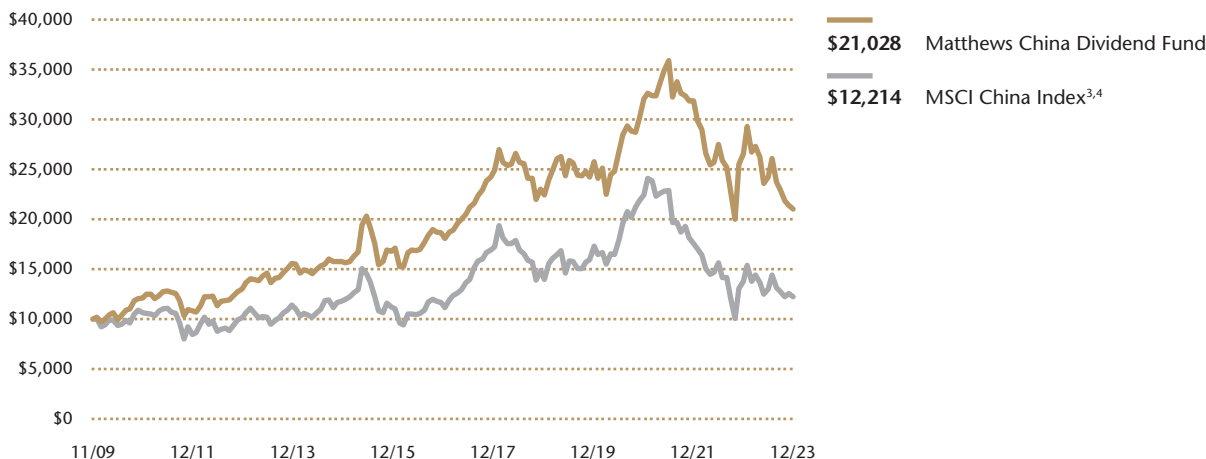
Source: BNY Mellon Investment Servicing (US) Inc.

### DIVIDEND YIELD: 3.67%

The dividend yield (trailing) for the portfolio is the weighted average sum of the dividends paid by each equity security held by the Fund over the 12 months ended 12/31/23 divided by the current price of each equity as of 12/31/23. The annualized dividend yield for the Fund is for the equity-only portion of the portfolio. Please note that this is based on gross equity portfolio holdings and does not reflect the actual yield an investor in the Fund would receive. Past yields are no guarantee of future yields.

Source: FactSet Research Systems, Bloomberg, MICM.

## GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION—INVESTOR CLASS



Plotted monthly. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions or redemption of Fund shares. Values are in US\$.

<sup>3</sup> It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc. Please see page 71 for index definition.

<sup>4</sup> Calculated from 11/30/09.

## TOP TEN HOLDINGS<sup>5</sup>

Name	Sector	% Net Assets
Tencent Holdings, Ltd.	Communication Services	9.1%
Alibaba Group Holding, Ltd.	Consumer Discretionary	8.1%
CITIC Telecom International Holdings, Ltd.	Communication Services	6.4%
Wuliangye Yibin Co., Ltd.	Consumer Staples	3.9%
Yangzijiang Shipbuilding Holdings, Ltd.	Industrials	3.6%
WuXi AppTec Co., Ltd.	Health Care	3.3%
Haier Smart Home Co., Ltd.	Consumer Discretionary	3.1%
CSC Financial Co., Ltd.	Financials	3.0%
China Suntien Green Energy Corp., Ltd.	Energy	3.0%
E Ink Holdings, Inc.	Information Technology	2.9%
<b>% OF ASSETS IN TOP 10</b>		<b>46.4%</b>

<sup>5</sup> Holdings may combine more than one security from same issuer and related depositary receipts.

# Matthews China Dividend Fund

## *Portfolio Manager Commentary (unaudited) (continued)*

business operation and a high dividend payout policy. Miniso Group, a discount retailer with worldwide presence, was the second-largest contributor to total returns although its share price experienced high volatility during the last quarter as its valuation became rich. Yangzijiang Shipbuilding Holdings was another top contributor, as the company continued to win orders for new ships and new environment standards are seeming to prolong the current global ship ordering cycle.

### **Notable Portfolio Changes**

We initiated a position in Fuyao Glass Industry Group, a leading automotive glass manufacturer, in the last quarter of the year. We believe the company is well positioned as new electric vehicles (EVs) continue to include more glass content compared with traditional vehicles. In addition, we added a position in Kanzhun, a high profile recruiting platform. Although we have not seen a clear recovery of hiring across all segments in China, a feature of Kanzhun's services—enabling hiring managers and job applicants to communicate online—makes it especially attractive to younger segments of the workforce.

In contrast, we sold our position in China Vanke, a real estate developer, given the significant difficulties that these firms face in trying to sell new residential properties and monetize other commercial real estate assets, such as shopping malls or warehouses, in such an uncertain environment. We also exited OPT Machine Vision Technology, a supplier of factory equipment, as the company disappointed in securing new orders in its new EV batteries business as well as its traditional consumer electronics customers experiencing weaker growth.

### **Outlook**

We remain cautious on Chinese equities. Both domestic and international investors have had their confidence severely tested over the last three years. Unlike many other equities markets, there is no “natural” inflow into China's market through pensions or retirement savings plans. That's left only a selected group of companies with strong cash flow and balance sheets being active in the market, buying back their own shares.

Among the traditional drivers of Chinese economic growth, aside from real estate, the export sector is still demonstrating some strength. However, as China grows its share of global industrial output, it raises the specter of more trade frictions alongside continuing U.S. tariffs. In terms of consumption, the third economic driver, Chinese consumers are likely to continue to behave very conservatively due to a lackluster employment market and a bleak outlook for income growth. Industries with high paying jobs have unfortunately become casualties of tightened regulation and some have been subject to pay-cut directives from the government.

Chinese policymakers, in our view, have not yet realized the real threat of deflation to the economy. Although we don't fully subscribe to the theory of a “Japanification” of China, we believe the government needs to do a lot more to avoid this trap and the risk of a “lost decade.”

### **COUNTRY ALLOCATION (%)<sup>6,7</sup>**

China/Hong Kong	96.0
Taiwan	2.9
Cash and other Assets, Less Liabilities	1.0

### **SECTOR ALLOCATION (%)<sup>7</sup>**

Consumer Discretionary	27.3
Communication Services	17.2
Financials	15.3
Consumer Staples	8.7
Real Estate	6.6
Health Care	5.6
Industrials	5.6
Information Technology	5.1
Materials	4.4
Energy	3.0
Cash and other Assets, Less Liabilities	1.0

### **MARKET CAP EXPOSURE (%)<sup>7</sup>**

Mega Cap (over \$25B)	43.8
Large Cap (\$10B–\$25B)	16.3
Mid Cap (\$3B–10B)	19.3
Small Cap (under \$3B)	19.5
Cash and Other Assets, Less Liabilities	1.0

<sup>6</sup> Not all countries where the Fund may invest are included in the benchmark index.

<sup>7</sup> Source: FactSet Research Systems. Percentage values in data are rounded to the nearest tenth of one percent, so the values may not sum to 100% due to rounding. Country allocations and percentage values may be derived from different data sources and may not be consistent with other Fund literature.

Schedule of Investments<sup>a</sup>

COMMON EQUITIES: 99.0%

	Shares	Value
<b>CONSUMER DISCRETIONARY: 27.4%</b>		
Broadline Retail: 10.2%		
Alibaba Group Holding, Ltd.	993,200	\$9,567,041
MINISO Group Holding, Ltd. ADR	120,799	2,464,300
		<u>12,031,341</u>
<b>Hotels, Restaurants &amp; Leisure: 6.2%</b>		
Tam Jai International Co., Ltd.	15,983,000	2,577,910
Yum China Holdings, Inc.	58,590	2,485,974
Shanghai Jinjiang International Hotels Co., Ltd. B Shares	1,826,000	2,299,365
		<u>7,363,249</u>
<b>Household Durables: 3.1%</b>		
Haier Smart Home Co., Ltd. D Shares	3,015,358	3,721,603
<b>Automobiles: 2.0%</b>		
Yadea Group Holdings, Ltd. <sup>b,c</sup>	1,350,000	2,377,853
<b>Diversified Consumer Services: 2.0%</b>		
China Education Group Holdings, Ltd. <sup>c</sup>	3,784,000	2,374,566
<b>Textiles, Apparel &amp; Luxury Goods: 2.0%</b>		
Xtep International Holdings, Ltd.	4,084,000	2,308,656
<b>Automobile Components: 1.9%</b>		
Fuyao Glass Industry Group Co., Ltd. H Shares <sup>b,c</sup>	468,400	2,280,855
<b>Total Consumer Discretionary</b>		<u>32,458,123</u>
<b>COMMUNICATION SERVICES: 17.3%</b>		
<b>Interactive Media &amp; Services: 10.8%</b>		
Tencent Holdings, Ltd.	286,500	10,816,771
Kanzhun, Ltd. ADR	120,401	1,999,861
		<u>12,816,632</u>
<b>Diversified Telecommunication Services: 6.5%</b>		
CITIC Telecom International Holdings, Ltd.	18,188,000	7,644,073
<b>Total Communication Services</b>		<u>20,460,705</u>
<b>FINANCIALS: 15.3%</b>		
<b>Capital Markets: 5.7%</b>		
CSC Financial Co., Ltd. H Shares <sup>b,c</sup>	4,070,500	3,597,854
Hong Kong Exchanges & Clearing, Ltd.	92,200	3,162,484
		<u>6,760,338</u>
<b>Banks: 5.1%</b>		
China Merchants Bank Co., Ltd. A Shares	803,784	3,139,150
Postal Savings Bank of China Co., Ltd. H Shares <sup>b,c</sup>	6,258,000	2,992,129
		<u>6,131,279</u>
<b>Insurance: 4.5%</b>		
PICC Property & Casualty Co., Ltd. H Shares	2,434,000	2,896,502
Ping An Insurance Group Co. of China, Ltd. H Shares	531,500	2,406,260
		<u>5,302,762</u>
<b>Total Financials</b>		<u>18,194,379</u>

	Shares	Value
<b>CONSUMER STAPLES: 8.7%</b>		
<b>Beverages: 5.9%</b>		
Wuliangye Yibin Co., Ltd. A Shares	235,400	\$4,637,954
Tsingtao Brewery Co., Ltd. H Shares	354,000	2,378,637
		<u>7,016,591</u>
<b>Food Products: 2.8%</b>		
Inner Mongolia Yili Industrial Group Co., Ltd. A Shares	885,600	3,325,918
<b>Total Consumer Staples</b>		<u>10,342,509</u>
<b>REAL ESTATE: 6.6%</b>		
<b>Real Estate Management &amp; Development: 6.6%</b>		
KE Holdings, Inc. ADR	181,419	2,940,802
Onewo, Inc. H Shares	782,730	2,496,702
Wharf Real Estate Investment Co., Ltd.	714,000	2,413,662
<b>Total Real Estate</b>		<u>7,851,166</u>
<b>INDUSTRIALS: 5.6%</b>		
<b>Machinery: 3.6%</b>		
Yangzijiang Shipbuilding Holdings, Ltd.	3,748,200	4,228,705
<b>Air Freight &amp; Logistics: 2.0%</b>		
ZTO Express Cayman, Inc. ADR	115,049	2,448,243
<b>Total Industrials</b>		<u>6,676,948</u>
<b>HEALTH CARE: 5.6%</b>		
<b>Life Sciences Tools &amp; Services: 3.3%</b>		
WuXi AppTec Co., Ltd. A Shares	381,600	3,897,712
<b>Health Care Equipment &amp; Supplies: 2.3%</b>		
AK Medical Holdings, Ltd. <sup>b,c</sup>	3,396,000	2,723,955
<b>Total Health Care</b>		<u>6,621,667</u>
<b>INFORMATION TECHNOLOGY: 5.1%</b>		
<b>Electronic Equipment, Instruments &amp; Components: 2.9%</b>		
E Ink Holdings, Inc.	546,000	3,496,058
<b>Software: 2.2%</b>		
Longshine Technology Group Co., Ltd. A Shares	1,108,300	2,549,231
<b>Total Information Technology</b>		<u>6,045,289</u>
<b>MATERIALS: 4.4%</b>		
<b>Construction Materials: 2.4%</b>		
China Jushi Co., Ltd. A Shares	1,632,407	2,251,999
Huaxin Cement Co., Ltd. H Shares	688,692	596,194
		<u>2,848,193</u>
<b>Metals &amp; Mining: 2.0%</b>		
Tiangong International Co., Ltd.	8,980,000	2,414,952
<b>Total Materials</b>		<u>5,263,145</u>

*Schedule of Investments<sup>a</sup> (continued)*

**COMMON EQUITIES (continued)**

	Shares	Value
<b>ENERGY: 3.0%</b>		
<b>Oil, Gas &amp; Consumable Fuels: 3.0%</b>		
China Suntien Green Energy Corp., Ltd. H Shares	9,801,000	<u>\$3,566,098</u>
<b>Total Energy</b>		<u>3,566,098</u>
<b>TOTAL INVESTMENTS: 99.0%</b>		<b>117,480,029</b>
(Cost \$149,647,372)		
<b>CASH AND OTHER ASSETS,</b>		
<b>LESS LIABILITIES: 1.0%</b>		<u>1,201,889</u>
<b>NET ASSETS: 100.0%</b>		<u><b>\$118,681,918</b></u>

- a Certain securities were fair valued under the valuation policies approved by the Board of Trustees (Note 2-A).
  - b Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. The security may be resold in transactions exempt from registration normally to qualified institutional buyers. The security has been determined to be liquid in accordance with procedures adopted by the Funds' Board of Trustees. At December 31, 2023, the aggregate value is \$13,972,646, which is 11.77% of net assets.
  - c The securities may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
- ADR American Depositary Receipt

See accompanying notes to financial statements.

# Index Definitions

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization-weighted index of the stock markets of Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Kuwait, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.

The **MSCI Emerging Markets Small Cap Index** is a free float-adjusted market capitalization-weighted small cap index of the stock markets of Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Kuwait, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.

The **MSCI All Country Asia ex Japan Small Cap Index** is a free float-adjusted market capitalization-weighted small cap index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI All Country Asia Pacific Index** is a free float-adjusted market capitalization-weighted index of the stock markets of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI All Country Asia ex Japan Index** is a free float-adjusted market capitalization-weighted index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI China Index** is a free float-adjusted market capitalization-weighted index of Chinese equities that includes H

shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen ex-exchanges, and Hong Kong-listed securities known as Red Chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs).

The **MSCI China All Shares Index** captures large and mid-cap representation across China A shares, B shares, H shares, Red Chips (issued by entities owned by national or local governments in China), P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China.

The **MSCI China Small Cap Index** is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen exchanges, and Hong Kong-listed securities known as Red Chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs).

The **S&P Bombay Stock Exchange (BSE) 100 Index** is a free float-adjusted market capitalization-weighted index of the 100 stocks listed on the Bombay Stock Exchange.

The **MSCI India Index** is a free float-adjusted market capitalization-weighted index of Indian equities listed in India.

The **MSCI Japan Index** is a free float-adjusted market capitalization-weighted index of Japanese equities listed in Japan.

# Disclosures

**Fund Holdings:** The Fund holdings shown in this report are as of December 31, 2023. Holdings are subject to change at any time, so holdings shown in this report may not reflect current Fund holdings. The Funds file complete schedules of portfolio holdings with the Securities and Exchange Commission (the “SEC”) for the first and third quarters of each fiscal year on Form N-PORT. The Funds’ Form N-PORTs are available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Complete schedules of investments are also available without charge, upon request, from the Funds by calling us at 800.789.ASIA (2742).

**Proxy Voting Record:** The Funds’ Statement of Additional Information containing a description of the policies and procedures that the Funds have used to vote proxies relating to portfolio securities, along with each Fund’s proxy voting record relating

to portfolio securities held during the most recent 12-month period ended June 30, is available upon request, at no charge, at the Funds’ website at [matthewsasiasia.com](http://matthewsasiasia.com) or by calling 800.789.ASIA (2742), or on the SEC’s website at [www.sec.gov](http://www.sec.gov).

**Shareholder Reports and Prospectuses:** To reduce the Funds’ expenses, we try to identify related shareholders in a household and send only one copy of the Funds’ prospectus and financial reports to that address. This process, called “householding,” will continue indefinitely unless you instruct us otherwise. At any time you may view the Funds’ current prospectus, summary prospectus and financial reports on our website. If you prefer to receive individual copies of the Funds’ prospectus or financial reports, please call us at 800.789.ASIA (2742).



## Disclosure of Fund Expenses *(unaudited)*

We believe it is important for you to understand the impact of fees regarding your investment. All mutual funds have operating expenses. As a shareholder of a mutual fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of the fund. A fund's operating expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing fees (in dollars) of investing in your fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

### **This table illustrates your fund's costs in two ways:**

**Actual Fund Return:** This section helps you to estimate the actual operating expenses, after any applicable fee waivers, that you paid over the period. The "Ending Account Value" shown is derived from the fund's actual return for the past six month period, the "Expense Ratio" column shows the period's annualized expense ratio, and the "Operating Expenses Paid During Period" column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund at the beginning of the period. You may use the information here, together with your account value, to estimate the expenses that you paid over the period. To do so, simply divide your account value

by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your fund in the first line under the heading entitled "Operating Expenses Paid During Period."

**Hypothetical 5% Return:** This section is intended to help you compare your fund's costs with those of other mutual funds. It assumes that the fund had an annual return of 5% before operating expenses, but that the expense ratio is unchanged. In this case, because the return used is not the fund's actual return, the results do not apply to your investment. This example is useful in making comparisons to other mutual funds because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on an assumed 5% annual return. You can assess your fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Please note that the operating expenses shown in the table are meant to highlight and help you compare your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees.

Matthews Asia Funds does not charge any sales loads, exchange fees, or 12b-1 fees, but these may be present in other funds to which you compare this data. Therefore, the hypothetical portions of the table are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

# Disclosure of Fund Expenses *(unaudited) (continued)*

	INVESTOR				INSTITUTIONAL			
	Beginning Account Value 7/1/23	Ending Account Value 12/31/23	Expense Ratio	Operating Expenses Paid During Period 7/1/23–12/31/23 <sup>1</sup>	Beginning Account Value 7/1/23	Ending Account Value 12/31/23	Expense Ratio	Operating Expenses Paid During Period 7/1/23–12/31/23 <sup>1</sup>
<b>GLOBAL EMERGING MARKETS STRATEGIES</b>								
<b>Matthews Emerging Markets Equity Fund</b>								
Actual Fund Return	\$1,000.00	\$1,022.80	1.08%	\$5.51	\$1,000.00	\$1,023.80	0.90%	\$4.59
Hypothetical 5% Returns	\$1,000.00	\$1,019.76	1.08%	\$5.50	\$1,000.00	\$1,020.67	0.90%	\$4.58
<b>Matthews Emerging Markets Sustainable Future Fund</b>								
Actual Fund Return	\$1,000.00	\$996.20	1.26%	\$6.34	\$1,000.00	\$996.80	1.15%	\$5.79
Hypothetical 5% Returns	\$1,000.00	\$1,018.85	1.26%	\$6.41	\$1,000.00	\$1,019.41	1.15%	\$5.85
<b>Matthews Emerging Markets Small Companies Fund</b>								
Actual Fund Return	\$1,000.00	\$1,051.60	1.36%	\$7.03	\$1,000.00	\$1,052.70	1.15%	\$5.95
Hypothetical 5% Returns	\$1,000.00	\$1,018.35	1.36%	\$6.92	\$1,000.00	\$1,019.41	1.15%	\$5.85
<b>ASIA GROWTH STRATEGIES</b>								
<b>Matthews Asia Growth Fund</b>								
Actual Fund Return	\$1,000.00	\$1,045.90	1.09%	\$5.62	\$1,000.00	\$1,046.80	0.96%	\$4.95
Hypothetical 5% Returns	\$1,000.00	\$1,019.71	1.09%	\$5.55	\$1,000.00	\$1,020.37	0.96%	\$4.89
<b>Matthews Pacific Tiger Fund</b>								
Actual Fund Return	\$1,000.00	\$963.30	1.09%	\$5.39	\$1,000.00	\$964.00	0.98%	\$4.85
Hypothetical 5% Returns	\$1,000.00	\$1,019.71	1.09%	\$5.55	\$1,000.00	\$1,020.27	0.98%	\$4.99
<b>Matthews Asia Innovators Fund</b>								
Actual Fund Return	\$1,000.00	\$1,005.50	1.10%	\$5.56	\$1,000.00	\$1,005.70	1.00%	\$5.06
Hypothetical 5% Returns	\$1,000.00	\$1,019.66	1.10%	\$5.60	\$1,000.00	\$1,020.16	1.00%	\$5.09
<b>Matthews China Fund</b>								
Actual Fund Return	\$1,000.00	\$925.20	1.13%	\$5.48	\$1,000.00	\$925.90	1.01%	\$4.90
Hypothetical 5% Returns	\$1,000.00	\$1,019.51	1.13%	\$5.75	\$1,000.00	\$1,020.11	1.01%	\$5.14
<b>Matthews China Small Companies Fund</b>								
Actual Fund Return	\$1,000.00	\$923.80	1.36%	\$6.59	\$1,000.00	\$925.30	1.20%	\$5.82
Hypothetical 5% Returns	\$1,000.00	\$1,018.35	1.36%	\$6.92	\$1,000.00	\$1,019.16	1.20%	\$6.11
<b>Matthews India Fund</b>								
Actual Fund Return	\$1,000.00	\$1,103.60	1.13%	\$5.99	\$1,000.00	\$1,104.30	1.01%	\$5.36
Hypothetical 5% Returns	\$1,000.00	\$1,019.51	1.13%	\$5.75	\$1,000.00	\$1,020.11	1.01%	\$5.14
<b>Matthews Japan Fund</b>								
Actual Fund Return	\$1,000.00	\$1,040.20	1.10%	\$5.66	\$1,000.00	\$1,040.70	1.02%	\$5.25
Hypothetical 5% Returns	\$1,000.00	\$1,019.66	1.10%	\$5.60	\$1,000.00	\$1,020.06	1.02%	\$5.19
<b>ASIA GROWTH AND INCOME STRATEGIES</b>								
<b>Matthews Asian Growth and Income Fund</b>								
Actual Fund Return	\$1,000.00	\$989.30	1.12%	\$5.62	\$1,000.00	\$990.10	0.99%	\$4.97
Hypothetical 5% Returns	\$1,000.00	\$1,019.56	1.12%	\$5.70	\$1,000.00	\$1,020.21	0.99%	\$5.04
<b>Matthews Asia Dividend Fund</b>								
Actual Fund Return	\$1,000.00	\$1,017.10	0.98%	\$4.98	\$1,000.00	\$1,017.60	0.92%	\$4.68
Hypothetical 5% Returns	\$1,000.00	\$1,020.27	0.98%	\$4.99	\$1,000.00	\$1,020.57	0.92%	\$4.69
<b>Matthews China Dividend Fund</b>								
Actual Fund Return	\$1,000.00	\$869.80	1.16%	\$5.47	\$1,000.00	\$870.00	1.08%	\$5.09
Hypothetical 5% Returns	\$1,000.00	\$1,019.36	1.16%	\$5.90	\$1,000.00	\$1,019.76	1.08%	\$5.50

<sup>1</sup> Operating expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by 184 days, then divided by 365.

# Statements of Assets and Liabilities

December 31, 2023

	Matthews Emerging Markets Equity Fund	Matthews Emerging Markets Sustainable Future Fund	Matthews Emerging Markets Small Companies Fund
<b>ASSETS:</b>			
Investments at value (A) (Note 2-A):			
Unaffiliated issuers	\$20,559,707	\$212,981,808	\$615,812,879
Cash	378,249	—	5,237,050
Segregated foreign currency at value	599	10,244	3,520
Foreign currency at value (B)	18,218	429,009	646
Dividends and interest receivable	38,932	90,276	802,337
Receivable for securities sold	—	4,089,810	419,304
Receivable for capital shares sold	25,387	1,364,400	2,562,498
Other receivable	2,029	9,132	58,239
Due from Advisor (Note 4)	1,751	—	—
Prepaid expenses	14,153	25,210	23,873
<b>TOTAL ASSETS</b>	<b>21,039,025</b>	<b>218,999,889</b>	<b>624,920,346</b>
<b>LIABILITIES:</b>			
Cash overdraft	—	4,774,424	—
Payable for securities purchased	—	278,764	1,780,486
Payable for capital shares redeemed	112,935	2,593,668	1,331,931
Deferred foreign capital gains tax liability (Note 2-E)	13,535	1,631,717	5,847,255
Due to Advisor (Note 4)	—	127,032	262,605
Administration and accounting fees payable (Note 4)	283	2,939	7,902
Administration and shareholder servicing fees payable (Note 4)	3,443	34,980	97,955
Custodian fees payable	1,249	—	1,063
Foreign capital gains tax payable (Note 2-E)	—	—	2,710
Intermediary service fees payable (Note 4)	2,118	18,117	105,829
Professional fees payable	624	10,541	30,795
Transfer agent fees payable	896	1,269	6,614
Accrued other expenses payable	1,839	1,351	47,554
<b>TOTAL LIABILITIES</b>	<b>136,922</b>	<b>9,474,802</b>	<b>9,522,699</b>
<b>NET ASSETS</b>	<b>\$20,902,103</b>	<b>\$209,525,087</b>	<b>\$615,397,647</b>
<b>NET ASSETS:</b>			
Investor Class	\$9,617,862	\$38,176,193	\$287,673,814
Institutional Class	11,284,241	171,348,894	327,723,833
<b>TOTAL</b>	<b>\$20,902,103</b>	<b>\$209,525,087</b>	<b>\$615,397,647</b>

See accompanying notes to financial statements.

# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews Emerging Markets Equity Fund	Matthews Emerging Markets Sustainable Future Fund	Matthews Emerging Markets Small Companies Fund
<b>SHARES OUTSTANDING:</b>			
(shares of beneficial interest issued and outstanding, respectively, unlimited number of shares authorized with a \$0.001 par value)			
Investor Class	810,927	3,044,759	11,270,552
Institutional Class	953,320	13,654,847	12,854,880
<b>TOTAL</b>	<b>1,764,247</b>	<b>16,699,606</b>	<b>24,125,432</b>
<b>NET ASSET VALUE:</b>			
Investor Class, offering price and redemption price	\$11.86	\$12.54	\$25.52
Institutional Class, offering price and redemption price	\$11.84	\$12.55	\$25.49
<b>NET ASSETS CONSISTS OF:</b>			
Capital paid-in	\$28,947,358	\$218,841,375	\$656,583,509
Total distributable earnings/(accumulated loss)	(8,045,255)	(9,316,288)	(41,185,862)
<b>NET ASSETS</b>	<b>\$20,902,103</b>	<b>\$209,525,087</b>	<b>\$615,397,647</b>
<b>(A) Investments at cost:</b>			
Unaffiliated Issuers	\$22,070,016	\$202,893,160	\$559,823,976
<b>(B) Foreign Currency at Cost</b>	<b>\$18,099</b>	<b>\$429,132</b>	<b>\$645</b>

See accompanying notes to financial statements.

# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews Asia Growth Fund	Matthews Pacific Tiger Fund	Matthews Asia Innovators Fund
<b>ASSETS:</b>			
Investments at value (A) (Note 2-A):			
Unaffiliated issuers	\$369,280,036	\$1,961,685,107	\$309,366,833
Cash	10,470,197	—	307,507
Segregated foreign currency at value	—	20,313	1,566
Foreign currency at value (B)	6,419	20,284,124	125
Dividends and interest receivable	215,085	2,490,466	356,194
Receivable for securities sold	2,787,431	118,542,864	24,327,546
Receivable for capital shares sold	268,771	1,269,112	187,791
Other receivable	7,606	1,106,497	—
Prepaid expenses	20,319	19,256	17,753
<b>TOTAL ASSETS</b>	<b>383,055,864</b>	<b>2,105,417,739</b>	<b>334,565,315</b>
<b>LIABILITIES:</b>			
Cash overdraft	—	71,314,717	—
Payable for securities purchased	9,415,086	70,487,522	17,704,964
Payable for capital shares redeemed	1,195,466	11,080,789	2,024,846
Deferred foreign capital gains tax liability (Note 2-E)	575,533	20,458,539	1,404,841
Due to Advisor (Note 4)	222,492	1,190,903	186,885
Administration and accounting fees payable (Note 4)	5,096	30,726	4,329
Administration and shareholder servicing fees payable (Note 4)	60,551	339,223	50,703
Custodian fees payable	13,883	132,478	8,267
Intermediary service fees payable (Note 4)	51,343	329,709	57,107
Professional fees payable	41,971	129,707	26,895
Transfer agent fees payable	7,011	21,631	5,867
Accrued other expenses payable	194,717	868,113	137,805
<b>TOTAL LIABILITIES</b>	<b>11,783,149</b>	<b>176,384,057</b>	<b>21,612,509</b>
<b>NET ASSETS</b>	<b>\$371,272,715</b>	<b>\$1,929,033,682</b>	<b>\$312,952,806</b>
<b>NET ASSETS:</b>			
Investor Class	\$162,263,244	\$707,716,989	\$177,070,310
Institutional Class	209,009,471	1,221,316,693	135,882,496
<b>TOTAL</b>	<b>\$371,272,715</b>	<b>\$1,929,033,682</b>	<b>\$312,952,806</b>

See accompanying notes to financial statements.

# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews Asia Growth Fund	Matthews Pacific Tiger Fund	Matthews Asia Innovators Fund
<b>SHARES OUTSTANDING:</b>			
(shares of beneficial interest issued and outstanding, respectively, unlimited number of shares authorized with a \$0.001 par value)			
Investor Class	7,656,107	38,011,703	15,937,394
Institutional Class	9,740,353	65,638,237	12,044,937
<b>TOTAL</b>	<b>17,396,460</b>	<b>103,649,940</b>	<b>27,982,331</b>
<b>NET ASSET VALUE:</b>			
Investor Class, offering price and redemption price	\$21.19	\$18.62	\$11.11
Institutional Class, offering price and redemption price	\$21.46	\$18.61	\$11.28
<b>NET ASSETS CONSISTS OF:</b>			
Capital paid-in	\$541,347,382	\$1,920,629,174	\$700,142,169
Total distributable earnings/(accumulated loss)	(170,074,667)	8,404,508	(387,189,363)
<b>NET ASSETS</b>	<b>\$371,272,715</b>	<b>\$1,929,033,682</b>	<b>\$312,952,806</b>
<b>(A) Investments at cost:</b>			
Unaffiliated Issuers	\$317,906,277	\$1,707,589,755	\$277,207,603
<b>(B) Foreign Currency at Cost</b>	<b>\$6,424</b>	<b>\$20,284,124</b>	<b>\$125</b>

See accompanying notes to financial statements.

# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews China Fund	Matthews China Small Companies Fund	Matthews India Fund
<b>ASSETS:</b>			
Investments at value (A) (Note 2-A):			
Unaffiliated issuers	\$458,597,611	\$89,389,602	\$788,190,335
Cash	—	413,467	—
Segregated foreign currency at value	18,782	3,112	—
Foreign currency at value (B)	71	321	8,517,475
Dividends and interest receivable	755,621	—	617
Receivable for securities sold	—	—	4,726,769
Receivable for capital shares sold	338,411	219,420	1,840,627
Other receivable	—	1,388	13,338
Prepaid expenses	24,687	12,693	33,089
<b>TOTAL ASSETS</b>	<b>459,735,183</b>	<b>90,040,003</b>	<b>803,322,250</b>
<b>LIABILITIES:</b>			
Cash overdraft	7,595,722	—	4,386,105
Payable for securities purchased	—	—	5,960,546
Payable for capital shares redeemed	2,835,987	703,473	981,475
Deferred foreign capital gains tax liability (Note 2-E)	—	—	27,923,737
Due to Advisor (Note 4)	279,437	65,018	454,138
Administration and accounting fees payable (Note 4)	6,723	1,264	9,644
Administration and shareholder servicing fees payable (Note 4)	76,282	14,346	120,716
Custodian fees payable	1,584	7,257	18,303
Intermediary service fees payable (Note 4)	82,171	20,973	101,832
Professional fees payable	37,845	26,357	53,370
Transfer agent fees payable	16,106	2,559	15,084
Accrued other expenses payable	344,310	42,622	171,924
<b>TOTAL LIABILITIES</b>	<b>11,276,167</b>	<b>883,869</b>	<b>40,196,874</b>
<b>NET ASSETS</b>	<b>\$448,459,016</b>	<b>\$89,156,134</b>	<b>\$763,125,376</b>
<b>NET ASSETS:</b>			
Investor Class	\$300,132,305	\$66,173,572	\$614,102,697
Institutional Class	148,326,711	22,982,562	149,022,679
<b>TOTAL</b>	<b>\$448,459,016</b>	<b>\$89,156,134</b>	<b>\$763,125,376</b>

See accompanying notes to financial statements.

# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews China Fund	Matthews China Small Companies Fund	Matthews India Fund
<b>SHARES OUTSTANDING:</b>			
(shares of beneficial interest issued and outstanding, respectively, unlimited number of shares authorized with a \$0.001 par value)			
Investor Class	25,826,050	7,393,905	23,290,305
Institutional Class	12,786,958	2,571,592	5,532,940
<b>TOTAL</b>	<b>38,613,008</b>	<b>9,965,497</b>	<b>28,823,245</b>
<b>NET ASSET VALUE:</b>			
Investor Class, offering price and redemption price	\$11.62	\$8.95	\$26.37
Institutional Class, offering price and redemption price	\$11.60	\$8.94	\$26.93
<b>NET ASSETS CONSISTS OF:</b>			
Capital paid-in	\$956,365,855	\$248,807,881	\$609,049,771
Total distributable earnings/(accumulated loss)	(507,906,839)	(159,651,747)	154,075,605
<b>NET ASSETS</b>	<b>\$448,459,016</b>	<b>\$89,156,134</b>	<b>\$763,125,376</b>
<b>(A) Investments at cost:</b>			
Unaffiliated Issuers	\$665,641,829	\$106,116,962	\$602,504,303
<b>(B) Foreign Currency at Cost</b>	<b>\$71</b>	<b>\$319</b>	<b>\$8,517,475</b>

See accompanying notes to financial statements.



# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews Japan Fund	Matthews Asian Growth and Income Fund
<b>ASSETS:</b>		
Investments at value (A) (Note 2-A):		
Unaffiliated issuers	\$638,333,232	\$317,226,310
Cash	21,347,623	—
Segregated foreign currency at value	—	12
Foreign currency at value (B)	4,292	821,728
Dividends and interest receivable	161,030	620,165
Receivable for securities sold	10,470	9,186,822
Receivable for capital shares sold	768,567	118,276
Other receivable	—	20,535
Prepaid expenses	23,259	15,232
<b>TOTAL ASSETS</b>	<b>660,648,473</b>	<b>328,009,080</b>
<b>LIABILITIES:</b>		
Cash overdraft	—	148,365
Payable for securities purchased	1,797,014	2,720
Payable for capital shares redeemed	2,475,798	2,209,898
Deferred foreign capital gains tax liability (Note 2-E)	—	467,990
Due to Advisor (Note 4)	382,023	258,740
Administration and accounting fees payable (Note 4)	8,477	4,748
Administration and shareholder servicing fees payable (Note 4)	104,797	54,677
Custodian fees payable	8,529	1,065
Intermediary service fees payable (Note 4)	39,924	69,004
Professional fees payable	34,086	47,063
Transfer agent fees payable	26,766	9,286
Accrued other expenses payable	273,050	271,840
<b>TOTAL LIABILITIES</b>	<b>5,150,464</b>	<b>3,545,396</b>
<b>NET ASSETS</b>	<b>\$655,498,009</b>	<b>\$324,463,684</b>
<b>NET ASSETS:</b>		
Investor Class	\$239,578,261	\$244,697,712
Institutional Class	415,919,748	79,765,972
<b>TOTAL</b>	<b>\$655,498,009</b>	<b>\$324,463,684</b>

See accompanying notes to financial statements.

# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews Japan Fund	Matthews Asian Growth and Income Fund
<b>SHARES OUTSTANDING:</b>		
(shares of beneficial interest issued and outstanding, respectively, unlimited number of shares authorized with a \$0.001 par value)		
Investor Class	13,627,363	19,464,472
Institutional Class	23,585,238	6,360,280
<b>TOTAL</b>	<b>37,212,601</b>	<b>25,824,752</b>
<b>NET ASSET VALUE:</b>		
Investor Class, offering price and redemption price	\$17.58	\$12.57
Institutional Class, offering price and redemption price	\$17.63	\$12.54
<b>NET ASSETS CONSISTS OF:</b>		
Capital paid-in	\$744,513,019	\$359,617,427
Total distributable earnings/(accumulated loss)	(89,015,010)	(35,153,743)
<b>NET ASSETS</b>	<b>\$655,498,009</b>	<b>\$324,463,684</b>
<b>(A) Investments at cost:</b>		
Unaffiliated Issuers	\$546,054,623	\$315,869,937
<b>(B) Foreign Currency at Cost</b>	<b>\$4,295</b>	<b>\$820,571</b>

See accompanying notes to financial statements.

# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews Asia Dividend Fund	Matthews China Dividend Fund
<b>ASSETS:</b>		
Investments at value (A) (Note 2-A):		
Unaffiliated issuers	\$1,075,231,788	\$117,480,029
Cash	—	268,494
Segregated foreign currency at value	5,064	4,392
Foreign currency at value (B)	1,120,727	18
Dividends and interest receivable	1,298,561	126,525
Receivable for securities sold	8,532,770	2,405,677
Receivable for capital shares sold	411,362	117,770
Other receivable	1,895,944	—
Prepaid expenses	21,888	—
<b>TOTAL ASSETS</b>	<b>1,088,518,104</b>	<b>120,402,905</b>
<b>LIABILITIES:</b>		
Cash overdraft	29,702,912	—
Payable for securities purchased	475	1,853
Payable for capital shares redeemed	2,983,552	1,473,351
Deferred foreign capital gains tax liability (Note 2-E)	2,418,871	—
Due to Advisor (Note 4)	637,986	72,754
Administration and accounting fees payable (Note 4)	15,414	1,752
Administration and shareholder servicing fees payable (Note 4)	177,476	19,927
Custodian fees payable	5,801	8,860
Intermediary service fees payable (Note 4)	127,932	26,273
Professional fees payable	83,324	27,330
Transfer agent fees payable	11,723	2,843
Accrued other expenses payable	679,031	86,044
<b>TOTAL LIABILITIES</b>	<b>36,844,497</b>	<b>1,720,987</b>
<b>NET ASSETS</b>	<b>\$1,051,673,607</b>	<b>\$118,681,918</b>
<b>NET ASSETS:</b>		
Investor Class	\$401,340,937	\$76,516,977
Institutional Class	650,332,670	42,164,941
<b>TOTAL</b>	<b>\$1,051,673,607</b>	<b>\$118,681,918</b>

See accompanying notes to financial statements.

# Statements of Assets and Liabilities *(continued)*

December 31, 2023

	Matthews Asia Dividend Fund	Matthews China Dividend Fund
<b>SHARES OUTSTANDING:</b>		
(shares of beneficial interest issued and outstanding, respectively, unlimited number of shares authorized with a \$0.001 par value)		
Investor Class	29,304,870	7,142,690
Institutional Class	47,534,812	3,940,669
<b>TOTAL</b>	<b>76,839,682</b>	<b>11,083,359</b>
<b>NET ASSET VALUE:</b>		
Investor Class, offering price and redemption price	\$13.70	\$10.71
Institutional Class, offering price and redemption price	\$13.68	\$10.70
<b>NET ASSETS CONSISTS OF:</b>		
Capital paid-in	\$1,413,834,695	\$205,333,015
Total distributable earnings/(accumulated loss)	(362,161,088)	(86,651,097)
<b>NET ASSETS</b>	<b>\$1,051,673,607</b>	<b>\$118,681,918</b>
<b>(A) Investments at cost:</b>		
Unaffiliated Issuers	\$1,081,806,043	\$149,647,372
<b>(B) Foreign Currency at Cost</b>	<b>\$1,120,550</b>	<b>\$18</b>

See accompanying notes to financial statements.

# Statements of Operations

Year Ended December 31, 2023

	Matthews Emerging Markets Equity Fund	Matthews Emerging Markets Sustainable Future Fund	Matthews Emerging Markets Small Companies Fund
<b>INVESTMENT INCOME:</b>			
Dividends—Unaffiliated Issuers	\$612,418	\$2,770,820	\$7,654,401
Foreign withholding tax	(52,306)	(338,274)	(1,030,923)
<b>TOTAL INVESTMENT INCOME</b>	<b>560,112</b>	<b>2,432,546</b>	<b>6,623,478</b>
<b>EXPENSES:</b>			
Investment advisory fees (Note 4)	165,051	1,554,456	5,015,523
Administration and accounting fees (Note 4)	1,930	18,164	40,124
Administration and shareholder servicing fees (Note 4)	42,566	402,204	893,272
Accounting out-of-pocket fees	37,347	41,057	45,168
Custodian fees	4,666	86,168	157,139
Printing fees	15,494	31,886	40,960
Intermediary service fees (Note 4)	26,168	212,940	646,457
Professional fees	42,945	55,118	65,960
Registration fees	19,469	54,012	64,332
Transfer agent fees	5,642	8,992	36,249
Trustees fees	4,073	31,399	66,760
Other expenses	17,756	44,625	64,019
<b>TOTAL EXPENSES</b>	<b>383,107</b>	<b>2,541,021</b>	<b>7,135,963</b>
Advisory fees waived and expenses waived or reimbursed (Note 4)	(143,956)	—	(960,093)
<b>NET EXPENSES</b>	<b>239,151</b>	<b>2,541,021</b>	<b>6,175,870</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>320,961</b>	<b>(108,475)</b>	<b>447,608</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FOREIGN CURRENCY RELATED TRANSACTIONS, AND FOREIGN CAPITAL GAINS TAXES:</b>			
Net realized gain (loss) on investments—Unaffiliated Issuers	(1,312,845)	3,369,322	33,421,329
Net realized foreign capital gains tax	—	(657,293)	(794,939)
Net realized gain (loss) on foreign currency related transactions	(4,766)	(88,257)	(245,060)
Net change in unrealized appreciation/depreciation on investments—Unaffiliated Issuers	3,347,537	11,360,406	56,175,509
Net change in deferred foreign capital gains taxes on unrealized appreciation/depreciation	(18,390)	(501,121)	(3,307,422)
Net change in unrealized appreciation/depreciation on foreign currency related translations	562	(1,144)	3,847
<b>Net realized and unrealized gain (loss) on investments, foreign currency related transactions, and foreign capital gains taxes</b>	<b>2,012,098</b>	<b>13,481,913</b>	<b>85,253,264</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$2,333,059</b>	<b>\$13,373,438</b>	<b>\$85,700,872</b>

See accompanying notes to financial statements.

# Statements of Operations *(continued)*

Year Ended December 31, 2023

	Matthews Asia Growth Fund	Matthews Pacific Tiger Fund	Matthews Asia Innovators Fund
<b>INVESTMENT INCOME:</b>			
Dividends—Unaffiliated Issuers	\$7,667,956	\$62,361,848	\$4,678,774
Foreign withholding tax	(827,521)	(6,809,112)	(581,034)
<b>TOTAL INVESTMENT INCOME</b>	<b>6,840,435</b>	<b>55,552,736</b>	<b>4,097,740</b>
<b>EXPENSES:</b>			
Investment advisory fees (Note 4)	3,650,147	23,257,575	3,016,480
Administration and accounting fees (Note 4)	42,719	272,178	35,294
Administration and shareholder servicing fees (Note 4)	938,233	5,980,014	776,190
Accounting out-of-pocket fees	38,017	41,816	33,658
Custodian fees	11,537	100,467	76,318
Printing fees	62,005	306,670	48,667
Intermediary service fees (Note 4)	559,844	3,521,364	634,774
Professional fees	66,841	293,203	64,323
Registration fees	53,398	94,235	57,030
Transfer agent fees	38,726	123,721	31,270
Trustees fees	64,660	488,331	40,364
Other expenses	35,818	406,116	13,410
<b>TOTAL EXPENSES</b>	<b>5,561,945</b>	<b>34,885,690</b>	<b>4,827,778</b>
Advisory fees waived and expenses waived or reimbursed (Note 4)	—	(54,495)	—
Administration fees waived (Note 5)	—	(54,495)	—
<b>NET EXPENSES</b>	<b>5,561,945</b>	<b>34,776,700</b>	<b>4,827,778</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>1,278,490</b>	<b>20,776,036</b>	<b>(730,038)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FOREIGN CURRENCY RELATED TRANSACTIONS, AND FOREIGN CAPITAL GAINS TAXES:</b>			
Net realized gain (loss) on investments—Unaffiliated Issuers	(61,557,675)	(141,484,349)	(46,888,991)
Net realized foreign capital gains tax	(1,381,210)	(11,222,950)	(1,529,880)
Net realized gain (loss) on foreign currency related transactions	(171,558)	(784,201)	(618,104)
Net change in unrealized appreciation/depreciation on investments— Unaffiliated Issuers	73,506,854	(68,663,202)	33,771,457
Net change in deferred foreign capital gains taxes on unrealized appreciation/depreciation	219,136	2,280,753	(273,091)
Net change in unrealized appreciation/depreciation on foreign currency related translations	43,502	151,081	(15,552)
<b>Net realized and unrealized gain (loss) on investments, foreign currency related transactions, and foreign capital gains taxes</b>	<b>10,659,049</b>	<b>(219,722,868)</b>	<b>(15,554,161)</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$11,937,539</b>	<b>(\$198,946,832)</b>	<b>(\$16,284,199)</b>

See accompanying notes to financial statements.

# Statements of Operations *(continued)*

Year Ended December 31, 2023

	Matthews China Fund	Matthews China Small Companies Fund	Matthews India Fund
<b>INVESTMENT INCOME:</b>			
Dividends—Unaffiliated Issuers	\$13,204,779	\$2,054,592	\$8,985,120
Interest	—	—	1,317
Foreign withholding tax	(966,762)	(61,607)	(1,905,708)
<b>TOTAL INVESTMENT INCOME</b>	<b>12,238,017</b>	<b>1,992,985</b>	<b>7,080,729</b>
<b>EXPENSES:</b>			
Investment advisory fees (Note 4)	4,626,467	1,312,855	4,408,096
Administration and accounting fees (Note 4)	54,133	10,503	51,478
Administration and shareholder servicing fees (Note 4)	1,190,414	230,701	1,143,239
Accounting out-of-pocket fees	41,369	41,342	40,927
Custodian fees	51,503	13,029	21,139
Printing fees	73,140	27,501	52,625
Intermediary service fees (Note 4)	959,063	231,203	1,103,491
Professional fees	66,224	42,524	106,330
Registration fees	58,555	31,153	31,538
Transfer agent fees	93,350	14,437	85,885
Trustees fees	91,788	18,110	90,995
Other expenses	77,823	7,305	74,379
<b>TOTAL EXPENSES</b>	<b>7,383,829</b>	<b>1,980,663</b>	<b>7,210,122</b>
Advisory fees waived and expenses waived or reimbursed (Note 4)	—	(200,612)	—
<b>NET EXPENSES</b>	<b>7,383,829</b>	<b>1,780,051</b>	<b>7,210,122</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>4,854,188</b>	<b>212,934</b>	<b>(129,393)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FOREIGN CURRENCY RELATED TRANSACTIONS, AND FOREIGN CAPITAL GAINS TAXES:</b>			
Net realized gain (loss) on investments—Unaffiliated Issuers	(120,623,659)	(41,864,838)	49,503,377
Net realized foreign capital gains tax	—	—	(8,382,704)
Net realized gain (loss) on foreign currency related transactions	(1,794)	(117,569)	(334,310)
Net change in unrealized appreciation/depreciation on investments— Unaffiliated Issuers	(33,001,975)	16,928,636	107,784,593
Net change in deferred foreign capital gains taxes on unrealized appreciation/depreciation	—	—	(11,036,039)
Net change in unrealized appreciation/depreciation on foreign currency related translations	8	(9,377)	(1,008)
<b>Net realized and unrealized gain (loss) on investments, foreign currency related transactions, and foreign capital gains taxes</b>	<b>(153,627,420)</b>	<b>(25,063,148)</b>	<b>137,533,909</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>(\$148,773,232)</b>	<b>(\$24,850,214)</b>	<b>\$137,404,516</b>

See accompanying notes to financial statements.

# Statements of Operations *(continued)*

Year Ended December 31, 2023

	Matthews Japan Fund	Matthews Asian Growth and Income Fund
<b>INVESTMENT INCOME:</b>		
Dividends—Unaffiliated Issuers	\$12,294,956	\$16,301,491
Interest	—	172,440
Foreign withholding tax	(1,173,587)	(1,288,958)
<b>TOTAL INVESTMENT INCOME</b>	<b>11,121,369</b>	<b>15,184,973</b>
<b>EXPENSES:</b>		
Investment advisory fees (Note 4)	4,462,435	3,540,355
Administration and accounting fees (Note 4)	52,151	41,432
Administration and shareholder servicing fees (Note 4)	1,153,909	910,316
Accounting out-of-pocket fees	41,644	39,958
Custodian fees	23,686	38,013
Printing fees	73,139	68,024
Intermediary service fees (Note 4)	524,763	738,164
Professional fees	67,588	81,794
Registration fees	77,849	7,088
Transfer agent fees	161,403	53,193
Trustees fees	90,279	77,963
Other expenses	73,152	77,070
<b>TOTAL EXPENSES</b>	<b>6,801,998</b>	<b>5,673,370</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>4,319,371</b>	<b>9,511,603</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY RELATED TRANSACTIONS:</b>		
Net realized gain (loss) on investments—Unaffiliated Issuers	(7,453,507)	22,203,674
Net realized foreign capital gains tax	—	(584)
Net realized gain (loss) on foreign currency related transactions	(497,159)	(70,483)
Net change in unrealized appreciation/depreciation on investments—Unaffiliated Issuers	107,982,557	(18,794,116)
Net change in deferred foreign capital gains taxes on unrealized appreciation/depreciation	—	151,746
Net change in unrealized appreciation/depreciation on foreign currency related translations	273,482	313,865
<b>Net realized and unrealized gain (loss) on investments and foreign currency related transactions</b>	<b>100,305,373</b>	<b>3,804,102</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$104,624,744</b>	<b>\$13,315,705</b>

See accompanying notes to financial statements.



# Statements of Operations *(continued)*

Year Ended December 31, 2023

	Matthews Asia Dividend Fund	Matthews China Dividend Fund
<b>INVESTMENT INCOME:</b>		
Dividends—Unaffiliated Issuers	\$42,452,982	\$6,382,571
Foreign withholding tax	(3,651,506)	(350,344)
<b>TOTAL INVESTMENT INCOME</b>	<b>38,801,476</b>	<b>6,032,227</b>
<b>EXPENSES:</b>		
Investment advisory fees (Note 4)	10,447,486	1,298,160
Administration and accounting fees (Note 4)	122,240	15,195
Administration and shareholder servicing fees (Note 4)	2,688,362	333,530
Accounting out-of-pocket fees	43,611	33,472
Custodian fees	82,527	9,033
Printing fees	198,854	40,473
Intermediary service fees (Note 4)	1,488,633	308,583
Professional fees	220,465	44,933
Registration fees	57,947	—
Transfer agent fees	70,176	16,595
Trustees fees	219,939	27,704
Other expenses	40,367	7,063
<b>TOTAL EXPENSES</b>	<b>15,680,607</b>	<b>2,134,741</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>23,120,869</b>	<b>3,897,486</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FOREIGN CURRENCY RELATED TRANSACTIONS, AND FOREIGN CAPITAL GAINS TAXES:</b>		
Net realized gain (loss) on investments—Unaffiliated Issuers	61,769,512	(18,837,307)
Net realized foreign capital gains tax	(9,149,740)	—
Net realized gain (loss) on foreign currency related transactions	(3,056,208)	(498)
Net change in unrealized appreciation/depreciation on investments—Unaffiliated Issuers	(16,182,380)	(25,585,939)
Net change in deferred foreign capital gains taxes on unrealized appreciation/depreciation	8,537,307	—
Net change in unrealized appreciation/depreciation on foreign currency related translations	(86,952)	(1,697)
<b>Net realized and unrealized gain (loss) on investments, foreign currency related transactions, and foreign capital gains taxes</b>	<b>41,831,539</b>	<b>(44,425,441)</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$64,952,408</b>	<b>(\$40,527,955)</b>

See accompanying notes to financial statements.

# Statements of Changes in Net Assets

MATTHEWS EMERGING MARKETS EQUITY FUND	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$320,961	\$659,139
Net realized gain (loss) on investments and foreign currency related transactions	(1,317,611)	(4,261,238)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	3,348,099	(7,970,191)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	(18,390)	62,033
Net increase (decrease) in net assets resulting from operations	2,333,059	(11,510,257)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(177,005)	(171,815)
Institutional Class	(245,427)	(486,489)
Net decrease in net assets resulting from distributions	(422,432)	(658,304)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	<b>(14,473,292)</b>	<b>(3,923,820)</b>
Total increase (decrease) in net assets	(12,562,665)	(16,092,381)
<b>NET ASSETS:</b>		
Beginning of period	33,464,768	49,557,149
End of period	\$20,902,103	\$33,464,768

MATTHEWS EMERGING MARKETS SUSTAINABLE FUTURE FUND	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	(\$108,475)	(\$428,029)
Net realized gain (loss) on investments and foreign currency related transactions	2,623,772	3,676,316
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	11,359,262	(21,313,191)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	(501,121)	(6,668)
Net increase (decrease) in net assets resulting from operations	13,373,438	(18,071,572)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(2,733,178)	(1,649,628)
Institutional Class	(12,590,629)	(7,058,005)
Net decrease in net assets resulting from distributions	(15,323,807)	(8,707,633)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	<b>39,167,464</b>	<b>72,234,041</b>
Total increase (decrease) in net assets	37,217,095	45,454,836
<b>NET ASSETS:</b>		
Beginning of period	172,307,992	126,853,156
End of period	\$209,525,087	\$172,307,992

See accompanying notes to financial statements.

# Statements of Changes in Net Assets *(continued)*

MATTHEWS EMERGING MARKETS SMALL COMPANIES FUND	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$447,608	(\$348,674)
Net realized gain (loss) on investments and foreign currency related transactions	32,381,330	33,699,487
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	56,179,356	(103,113,237)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	(3,307,422)	862,730
Net increase (decrease) in net assets resulting from operations	85,700,872	(68,899,694)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(22,219,393)	(10,642,526)
Institutional Class	(26,772,365)	(17,586,490)
Net decrease in net assets resulting from distributions	(48,991,758)	(28,229,016)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	<b>209,240,985</b>	<b>68,567,370</b>
Total increase (decrease) in net assets	245,950,099	(28,561,340)
<b>NET ASSETS:</b>		
Beginning of period	369,447,548	398,008,888
End of period	\$615,397,647	\$369,447,548

MATTHEWS ASIA GROWTH FUND	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$1,278,490	(\$2,079,983)
Net realized gain (loss) on investments and foreign currency related transactions	(63,110,443)	(143,038,976)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	73,550,356	(406,306,763)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	219,136	5,625,551
Net increase (decrease) in net assets resulting from operations	11,937,539	(545,800,171)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(2,933,613)	(6,372,932)
Institutional Class	(4,255,554)	(11,696,816)
Net decrease in net assets resulting from distributions	(7,189,167)	(18,069,748)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	<b>(265,553,683)</b>	<b>(558,821,991)</b>
Total increase (decrease) in net assets	(260,805,311)	(1,122,691,910)
<b>NET ASSETS:</b>		
Beginning of period	632,078,026	1,754,769,936
End of period	\$371,272,715	\$632,078,026

See accompanying notes to financial statements.

# Statements of Changes in Net Assets *(continued)*

<b>MATTHEWS PACIFIC TIGER FUND</b>	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$20,776,036	\$24,615,390
Net realized gain (loss) on investments and foreign currency related transactions	(153,491,500)	(52,075,313)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	(68,512,121)	(1,497,234,871)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	2,280,753	16,309,323
Net increase (decrease) in net assets resulting from operations	(198,946,832)	(1,508,385,471)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(21,595,059)	(88,898,319)
Institutional Class	(42,763,667)	(213,752,096)
Net decrease in net assets resulting from distributions	(64,358,726)	(302,650,415)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	(1,496,444,792)	(1,692,644,474)
Total increase (decrease) in net assets	(1,759,750,350)	(3,503,680,360)
<b>NET ASSETS:</b>		
Beginning of period	3,688,784,032	7,192,464,392
End of period	\$1,929,033,682	\$3,688,784,032

<b>MATTHEWS ASIA INNOVATORS FUND</b>	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	(\$730,038)	(\$2,461,191)
Net realized gain (loss) on investments and foreign currency related transactions	(49,036,975)	(296,415,093)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	33,755,905	(10,835,792)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	(273,091)	2,819,303
Net increase (decrease) in net assets resulting from operations	(16,284,199)	(306,892,773)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(2,966)	(60,056,072)
Institutional Class	(287,289)	(44,589,552)
Net decrease in net assets resulting from distributions	(290,255)	(104,645,624)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	(142,790,496)	(511,912,389)
Total increase (decrease) in net assets	(159,364,950)	(923,450,786)
<b>NET ASSETS:</b>		
Beginning of period	472,317,756	1,395,768,542
End of period	\$312,952,806	\$472,317,756

See accompanying notes to financial statements.

# Statements of Changes in Net Assets *(continued)*

<b>MATTHEWS CHINA FUND</b>	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$4,854,188	\$217,849
Net realized gain (loss) on investments and foreign currency related transactions	(120,625,453)	(150,068,125)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	(33,001,967)	(197,123,046)
Net increase (decrease) in net assets resulting from operations	(148,773,232)	(346,973,322)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(2,388,564)	(32,362,149)
Institutional Class	(1,692,606)	(21,837,281)
Net decrease in net assets resulting from distributions	(4,081,170)	(54,199,430)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	(144,473,909)	(194,850,178)
Total increase (decrease) in net assets	(297,328,311)	(596,022,930)
<b>NET ASSETS:</b>		
Beginning of period	745,787,327	1,341,810,257
End of period	\$448,459,016	\$745,787,327

<b>MATTHEWS CHINA SMALL COMPANIES FUND</b>	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$212,934	\$728,732
Net realized gain (loss) on investments and foreign currency related transactions	(41,982,407)	(88,967,075)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	16,919,259	(31,868,124)
Net increase (decrease) in net assets resulting from operations	(24,850,214)	(120,106,467)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(1,569,819)	(2,034,204)
Institutional Class	(602,345)	(1,008,109)
Net decrease in net assets resulting from distributions	(2,172,164)	(3,042,313)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	(38,583,201)	(103,257,833)
Total increase (decrease) in net assets	(65,605,579)	(226,406,613)
<b>NET ASSETS:</b>		
Beginning of period	154,761,713	381,168,326
End of period	\$89,156,134	\$154,761,713

See accompanying notes to financial statements.

# Statements of Changes in Net Assets *(continued)*

<b>MATTHEWS INDIA FUND</b>	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	(\$129,393)	(\$2,826,201)
Net realized gain (loss) on investments and foreign currency related transactions	40,786,363	54,725,780
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	107,783,585	(138,570,199)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	(11,036,039)	12,032,808
Net increase (decrease) in net assets resulting from operations	137,404,516	(74,637,812)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(18,205,131)	(69,440,851)
Institutional Class	(4,445,067)	(13,509,415)
Net decrease in net assets resulting from distributions	(22,650,198)	(82,950,266)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	45,588,815	(3,405,239)
Total increase (decrease) in net assets	160,343,133	(160,993,317)
<b>NET ASSETS:</b>		
Beginning of period	602,782,243	763,775,560
End of period	\$763,125,376	\$602,782,243

<b>MATTHEWS JAPAN FUND</b>	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$4,319,371	\$5,372,949
Net realized gain (loss) on investments and foreign currency related transactions	(7,950,666)	(169,997,728)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	108,256,039	(262,676,411)
Net increase (decrease) in net assets resulting from operations	104,624,744	(427,301,190)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	—	(14,553,044)
Institutional Class	—	(31,813,438)
Net decrease in net assets resulting from distributions	—	(46,366,482)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	(71,262,820)	(448,315,849)
Total increase (decrease) in net assets	33,361,924	(921,983,521)
<b>NET ASSETS:</b>		
Beginning of period	622,136,085	1,544,119,606
End of period	\$655,498,009	\$622,136,085

See accompanying notes to financial statements.

# Statements of Changes in Net Assets *(continued)*

MATTHEWS ASIAN GROWTH AND INCOME FUND	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$9,511,603	\$14,604,960
Net realized gain (loss) on investments and foreign currency related transactions	22,132,607	(48,439,576)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	(18,480,251)	(169,291,091)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	151,746	662,900
Net increase (decrease) in net assets resulting from operations	13,315,705	(202,462,807)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(7,451,640)	(17,020,543)
Institutional Class	(4,542,858)	(16,053,797)
Net decrease in net assets resulting from distributions	(11,994,498)	(33,074,340)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	<b>(286,872,429)</b>	<b>(247,931,479)</b>
Total increase (decrease) in net assets	(285,551,222)	(483,468,626)
<b>NET ASSETS:</b>		
Beginning of period	610,014,906	1,093,483,532
End of period	\$324,463,684	\$610,014,906

MATTHEWS ASIA DIVIDEND FUND	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$23,120,869	\$28,888,532
Net realized gain (loss) on investments and foreign currency related transactions	49,563,564	(261,201,228)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	(16,269,332)	(1,103,989,848)
Net change on foreign capital gains taxes on unrealized appreciation/depreciation	8,537,307	595,392
Net increase (decrease) in net assets resulting from operations	64,952,408	(1,335,707,152)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(5,562,611)	(7,812,204)
Institutional Class	(11,939,346)	(18,595,761)
Net decrease in net assets resulting from distributions	(17,501,957)	(26,407,965)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	<b>(847,146,823)</b>	<b>(1,527,382,129)</b>
Total increase (decrease) in net assets	(799,696,372)	(2,889,497,246)
<b>NET ASSETS:</b>		
Beginning of period	1,851,369,979	4,740,867,225
End of period	\$1,051,673,607	\$1,851,369,979

See accompanying notes to financial statements.

# Statements of Changes in Net Assets *(continued)*

<b>MATTHEWS CHINA DIVIDEND FUND</b>	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>OPERATIONS:</b>		
Net investment income (loss)	\$3,897,486	\$5,482,035
Net realized gain (loss) on investments and foreign currency related transactions	(18,837,805)	(29,326,490)
Net change in unrealized appreciation/depreciation on investments and foreign currency related translations	(25,587,636)	(39,972,339)
Net increase (decrease) in net assets resulting from operations	(40,527,955)	(63,816,794)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Investor Class	(3,895,645)	(8,463,697)
Institutional Class	(2,282,770)	(4,778,140)
Net decrease in net assets resulting from distributions	(6,178,415)	(13,241,837)
<b>CAPITAL SHARE TRANSACTIONS (net) (Note 3)</b>	<b>(55,897,379)</b>	<b>(51,816,442)</b>
Total increase (decrease) in net assets	(102,603,749)	(128,875,073)
<b>NET ASSETS:</b>		
Beginning of period	221,285,667	350,160,740
End of period	\$118,681,918	\$221,285,667

See accompanying notes to financial statements.



# Financial Highlights

## Matthews Emerging Markets Equity Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,			Period Ended Dec. 31, 2020 <sup>1</sup>
	2023	2022	2021	
Net Asset Value, beginning of period	\$11.14	\$14.34	\$15.76	\$10.00
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>				
Net investment income (loss) <sup>2</sup>	0.13	0.20	0.19	0.04
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.81	(3.20)	(0.31)	6.08
Total from investment operations	0.94	(3.00)	(0.12)	6.12
<b>LESS DISTRIBUTIONS FROM:</b>				
Net investment income	(0.22)	(0.20)	(0.18)	—
Net realized gains on investments	—	—	(1.12)	(0.36)
Total distributions	(0.22)	(0.20)	(1.30)	(0.36)
Net Asset Value, end of period	\$11.86	\$11.14	\$14.34	\$15.76
<b>TOTAL RETURN</b>	<b>8.43%</b>	<b>(20.94%)</b>	<b>(0.60%)</b>	<b>61.23%</b> <sup>3</sup>
<b>RATIOS/SUPPLEMENTAL DATA</b>				
Net assets, end of period (in 000's)	\$9,618	\$10,111	\$13,317	\$9,851
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.70%	1.58%	1.52%	2.76% <sup>4</sup>
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.12%	1.08%	1.13%	1.08% <sup>4</sup>
Ratio of net investment income (loss) to average net assets	1.16%	1.46%	1.15%	0.45% <sup>4</sup>
Portfolio turnover <sup>5</sup>	26.39%	63.08%	88.45%	62.30% <sup>3</sup>

INSTITUTIONAL CLASS	Year Ended Dec. 31,			Period Ended Dec. 31, 2020 <sup>1</sup>
	2023	2022	2021	
Net Asset Value, beginning of period	\$11.13	\$14.34	\$15.77	\$10.00
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>				
Net investment income (loss) <sup>2</sup>	0.17	0.23	0.22	0.04
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.79	(3.21)	(0.31)	6.11
Total from investment operations	0.96	(2.98)	(0.09)	6.15
<b>LESS DISTRIBUTIONS FROM:</b>				
Net investment income	(0.25)	(0.23)	(0.22)	(0.02)
Net realized gains on investments	—	—	(1.12)	(0.36)
Total distributions	(0.25)	(0.23)	(1.34)	(0.38)
Net Asset Value, end of period	\$11.84	\$11.13	\$14.34	\$15.77
<b>TOTAL RETURN</b>	<b>8.63%</b>	<b>(20.81%)</b>	<b>(0.43%)</b>	<b>61.55%</b> <sup>3</sup>
<b>RATIOS/SUPPLEMENTAL DATA</b>				
Net assets, end of period (in 000's)	\$11,284	\$23,353	\$36,240	\$34,941
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.51%	1.47%	1.38%	2.65% <sup>4</sup>
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	0.90%	0.90%	0.90%	0.90% <sup>4</sup>
Ratio of net investment income (loss) to average net assets	1.45%	1.70%	1.33%	0.44% <sup>4</sup>
Portfolio turnover <sup>5</sup>	26.39%	63.08%	88.45%	62.30% <sup>3</sup>

1 The Fund commenced operations on April 29, 2020.

2 Calculated using the average daily shares method.

3 Not annualized.

4 Annualized.

5 The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews Emerging Markets Sustainable Future Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$12.51	\$15.37	\$14.94	\$11.08	\$9.98
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	(0.02)	(0.05)	(0.07)	(0.01)	0.04
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.99	(2.14)	1.85	4.72	1.21
Total from investment operations	0.97	(2.19)	1.78	4.71	1.25
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.25)	(0.04)	—	(0.01)	(0.03)
Net realized gains on investments	(0.69)	(0.63)	(1.35)	(0.84)	(0.12)
Total distributions	(0.94)	(0.67)	(1.35)	(0.85)	(0.15)
Net Asset Value, end of year	\$12.54	\$12.51	\$15.37	\$14.94	\$11.08
<b>TOTAL RETURN</b>	<b>7.83%</b>	<b>(14.38%)</b>	<b>11.76%</b>	<b>42.87%</b>	<b>12.55%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$38,176	\$32,249	\$39,612	\$37,385	\$19,291
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.23%	1.24%	1.20%	1.42%	1.54%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.23%	1.30%	1.40%	1.38%	1.42%
Ratio of net investment income (loss) to average net assets	(0.17%)	(0.41%)	(0.41%)	(0.08%)	0.41%
Portfolio turnover <sup>2</sup>	49.16%	31.53%	65.56%	84.60%	29.67%
<b>INSTITUTIONAL CLASS</b>					
Year Ended Dec. 31,					
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$12.51	\$15.38	\$14.92	\$11.06	\$9.96
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	— <sup>3</sup>	(0.04)	(0.04)	0.01	0.06
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	1.00	(2.14)	1.85	4.72	1.21
Total from investment operations	1.00	(2.18)	1.81	4.73	1.27
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.27)	(0.06)	—	(0.03)	(0.05)
Net realized gains on investments	(0.69)	(0.63)	(1.35)	(0.84)	(0.12)
Total distributions	(0.96)	(0.69)	(1.35)	(0.87)	(0.17)
Net Asset Value, end of year	\$12.55	\$12.51	\$15.38	\$14.92	\$11.06
<b>TOTAL RETURN</b>	<b>8.04%</b>	<b>(14.32%)</b>	<b>11.98%</b>	<b>43.13%</b>	<b>12.74%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$171,349	\$140,059	\$87,241	\$50,642	\$36,008
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.10%	1.11%	1.07%	1.29%	1.41%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.10%	1.17%	1.20%	1.20%	1.24%
Ratio of net investment income (loss) to average net assets	(0.02%)	(0.29%)	(0.25%)	0.09%	0.54%
Portfolio turnover <sup>2</sup>	49.16%	31.53%	65.56%	84.60%	29.67%

1 Calculated using the average daily shares method.

2 The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

3 Less than \$0.01 per share.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews Emerging Markets Small Companies Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$23.08	\$29.92	\$25.93	\$18.10	\$15.50
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	— <sup>2</sup>	(0.06)	(0.17)	(0.02)	0.12
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	4.58	(4.92)	5.90	7.92	2.57
Total from investment operations	4.58	(4.98)	5.73	7.90	2.69
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.41)	(0.09)	—	(0.05)	(0.09)
Net realized gains on investments	(1.73)	(1.77)	(1.74)	(0.02)	—
Total distributions	(2.14)	(1.86)	(1.74)	(0.07)	(0.09)
Paid-in capital from redemption fees (Note 4)	—	—	—	—	— <sup>3</sup>
Net Asset Value, end of year	\$25.52	\$23.08	\$29.92	\$25.93	\$18.10
<b>TOTAL RETURN</b>	<b>19.88%</b>	<b>(16.84%)</b>	<b>22.14%</b>	<b>43.68%</b>	<b>17.38%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$287,674	\$141,254	\$176,723	\$99,573	\$96,229
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.49%	1.49%	1.51%	1.57%	1.60%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.34%	1.37%	1.36%	1.39%	1.45%
Ratio of net investment income (loss) to average net assets	(0.01%)	(0.24%)	(0.55%)	(0.11%)	0.72%
Portfolio turnover <sup>4</sup>	26.92%	27.85%	50.82%	111.87%	59.10%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$23.04	\$29.87	\$25.87	\$18.06	\$15.46
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.04	— <sup>2</sup>	(0.10)	0.01	0.15
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	4.58	(4.92)	5.88	7.91	2.58
Total from investment operations	4.62	(4.92)	5.78	7.92	2.73
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.44)	(0.14)	(0.04)	(0.09)	(0.13)
Net realized gains on investments	(1.73)	(1.77)	(1.74)	(0.02)	—
Total distributions	(2.17)	(1.91)	(1.78)	(0.11)	(0.13)
Paid-in capital from redemption fees (Note 4)	—	—	—	—	— <sup>3</sup>
Net Asset Value, end of year	\$25.49	\$23.04	\$29.87	\$25.87	\$18.06
<b>TOTAL RETURN</b>	<b>20.12%</b>	<b>(16.66%)</b>	<b>22.39%</b>	<b>43.90%</b>	<b>17.65%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$327,724	\$228,194	\$221,286	\$107,569	\$85,006
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.38%	1.37%	1.38%	1.47%	1.46%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.15%	1.15%	1.16%	1.20%	1.24%
Ratio of net investment income (loss) to average net assets	0.16%	(0.01%)	(0.34%)	0.08%	0.85%
Portfolio turnover <sup>4</sup>	26.92%	27.85%	50.82%	111.87%	59.10%

1 Calculated using the average daily shares method.

2 Less than \$0.01 per share.

3 The Fund charged redemption fees through October 31, 2019.

4 The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews Asia Growth Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$20.84	\$31.99	\$39.44	\$28.10	\$22.49
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.03	(0.08)	(0.24)	(0.11)	(0.03)
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.70	(10.49)	(5.56)	13.16	5.91
Total from investment operations	0.73	(10.57)	(5.80)	13.05	5.88
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.38)	—	—	(0.15)	—
Net realized gains on investments	—	(0.58)	(1.65)	(1.56)	(0.27)
Total distributions	(0.38)	(0.58)	(1.65)	(1.71)	(0.27)
Net Asset Value, end of year	\$21.19	\$20.84	\$31.99	\$39.44	\$28.10
<b>TOTAL RETURN</b>	<b>3.53%</b>	<b>(33.12%)</b>	<b>(14.65%)</b>	<b>46.76%</b>	<b>26.18%</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$162,263	\$225,923	\$568,001	\$784,085	\$504,538
Ratio of expenses to average net assets	1.13%	1.13%	1.07%	1.08%	1.09%
Ratio of net investment income (loss) to average net assets	0.13%	(0.32%)	(0.62%)	(0.35%)	(0.14%)
Portfolio turnover <sup>2</sup>	77.32%	47.48%	42.37%	42.78%	38.05%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$21.11	\$32.33	\$39.82	\$28.34	\$22.65
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.07	(0.04)	(0.19)	(0.07)	— <sup>3</sup>
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.70	(10.60)	(5.63)	13.30	5.96
Total from investment operations	0.77	(10.64)	(5.82)	13.23	5.96
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.42)	—	(0.02)	(0.19)	—
Net realized gains on investments	—	(0.58)	(1.65)	(1.56)	(0.27)
Total distributions	(0.42)	(0.58)	(1.67)	(1.75)	(0.27)
Net Asset Value, end of year	\$21.46	\$21.11	\$32.33	\$39.82	\$28.34
<b>TOTAL RETURN</b>	<b>3.69%</b>	<b>(32.99%)</b>	<b>(14.55%)</b>	<b>47.01%</b>	<b>26.34%</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$209,009	\$406,155	\$1,186,769	\$1,269,702	\$698,797
Ratio of expenses to average net assets	0.98%	0.98%	0.92%	0.95%	0.94%
Ratio of net investment income (loss) to average net assets	0.31%	(0.15%)	(0.47%)	(0.23%)	—% <sup>4</sup>
Portfolio turnover <sup>2</sup>	77.32%	47.48%	42.37%	42.78%	38.05%

<sup>1</sup> Calculated using the average daily shares method.

<sup>2</sup> The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

<sup>3</sup> Less than \$0.01 per share.

<sup>4</sup> Less than 0.01%.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews Pacific Tiger Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$20.16	\$27.54	\$34.94	\$28.74	\$26.86
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.10	0.09	0.06	0.10	0.19
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	(1.10)	(5.75)	(1.60)	8.10	2.68
Total from investment operations	(1.00)	(5.66)	(1.54)	8.20	2.87
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.54)	—	—	(0.08)	(0.15)
Net realized gains on investments	—	(1.72)	(5.86)	(1.92)	(0.84)
Total distributions	(0.54)	(1.72)	(5.86)	(2.00)	(0.99)
Paid-in capital from redemption fees (Note 4)	—	—	—	—	— <sup>2</sup>
Net Asset Value, end of year	\$18.62	\$20.16	\$27.54	\$34.94	\$28.74
<b>TOTAL RETURN</b>	<b>(4.87%)</b>	<b>(20.73%)</b>	<b>(4.41%)</b>	<b>28.83%</b>	<b>10.72%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$707,717	\$1,081,347	\$1,835,266	\$2,585,654	\$2,536,844
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.12%	1.10%	1.06%	1.08%	1.08%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.12%	1.09%	1.03%	1.06%	1.05%
Ratio of net investment income (loss) to average net assets	0.49%	0.37%	0.17%	0.35%	0.66%
Portfolio turnover <sup>3</sup>	14.78%	5.61%	46.64%	38.11%	17.08%
<b>INSTITUTIONAL CLASS</b>					
Year Ended Dec. 31,					
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$20.16	\$27.50	\$34.90	\$28.71	\$26.83
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.13	0.11	0.11	0.13	0.23
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	(1.10)	(5.73)	(1.60)	8.11	2.68
Total from investment operations	(0.97)	(5.62)	(1.49)	8.24	2.91
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.58)	—	(0.05)	(0.13)	(0.19)
Net realized gains on investments	—	(1.72)	(5.86)	(1.92)	(0.84)
Total distributions	(0.58)	(1.72)	(5.91)	(2.05)	(1.03)
Paid-in capital from redemption fees (Note 4)	—	—	—	—	— <sup>2</sup>
Net Asset Value, end of year	\$18.61	\$20.16	\$27.50	\$34.90	\$28.71
<b>TOTAL RETURN</b>	<b>(4.75%)</b>	<b>(20.62%)</b>	<b>(4.29%)</b>	<b>28.98%</b>	<b>10.90%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$1,221,317	\$2,607,437	\$5,357,198	\$6,172,995	\$6,189,015
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	0.99%	0.97%	0.92%	0.94%	0.93%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	0.98%	0.96%	0.90%	0.92%	0.91%
Ratio of net investment income (loss) to average net assets	0.66%	0.48%	0.30%	0.46%	0.80%
Portfolio turnover <sup>3</sup>	14.78%	5.61%	46.64%	38.11%	17.08%

1 Calculated using the average daily shares method.

2 Less than \$0.01 per share.

3 The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews Asia Innovators Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$11.31	\$18.86	\$26.70	\$14.55	\$11.26
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	(0.02)	(0.06)	(0.16)	(0.11)	(0.01)
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	(0.18)	(4.49)	(3.34)	12.71	3.34
Total from investment operations	(0.20)	(4.55)	(3.50)	12.60	3.33
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	— <sup>2</sup>	—	—	—	—
Net realized gains on investments	—	(3.00)	(4.34)	(0.45)	(0.04)
Total distributions	— <sup>2</sup>	(3.00)	(4.34)	(0.45)	(0.04)
Net Asset Value, end of year	\$11.11	\$11.31	\$18.86	\$26.70	\$14.55
<b>TOTAL RETURN</b>	<b>(1.77%)</b>	<b>(24.80%)</b>	<b>(13.10%)</b>	<b>86.72%</b>	<b>29.60%</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$177,070	\$272,950	\$465,207	\$631,101	\$177,639
Ratio of expenses to average net assets	1.15%	1.18%	1.09%	1.10%	1.19%
Ratio of net investment income (loss) to average net assets	(0.21%)	(0.40%)	(0.59%)	(0.60%)	(0.04%)
Portfolio turnover <sup>3</sup>	248.19%	118.08%	220.45%	119.81%	80.10%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$11.49	\$19.08	\$26.91	\$14.64	\$11.32
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	(0.01)	(0.04)	(0.11)	(0.09)	0.01
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	(0.18)	(4.55)	(3.38)	12.81	3.35
Total from investment operations	(0.19)	(4.59)	(3.49)	12.72	3.36
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.02)	—	—	—	—
Net realized gains on investments	—	(3.00)	(4.34)	(0.45)	(0.04)
Total distributions	(0.02)	(3.00)	(4.34)	(0.45)	(0.04)
Net Asset Value, end of year	\$11.28	\$11.49	\$19.08	\$26.91	\$14.64
<b>TOTAL RETURN</b>	<b>(1.62%)</b>	<b>(24.73%)</b>	<b>(12.97%)</b>	<b>87.01%</b>	<b>29.71%</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$135,882	\$199,368	\$930,562	\$1,094,356	\$126,911
Ratio of expenses to average net assets	1.02%	1.04%	0.93%	0.95%	1.05%
Ratio of net investment income (loss) to average net assets	(0.11%)	(0.27%)	(0.43%)	(0.44%)	0.10%
Portfolio turnover <sup>3</sup>	248.19%	118.08%	220.45%	119.81%	80.10%

1 Calculated using the average daily shares method.

2 Less than \$0.01 per share.

3 The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews China Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$14.50	\$20.58	\$27.00	\$19.12	\$14.37
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.09	— <sup>2</sup>	0.03	0.05	0.16
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	(2.88)	(4.99)	(3.25)	8.17	4.80
Total from investment operations	(2.79)	(4.99)	(3.22)	8.22	4.96
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.09)	—	(0.05)	(0.06)	(0.21)
Net realized gains on investments	—	(1.09)	(3.15)	(0.28)	—
Total distributions	(0.09)	(1.09)	(3.20)	(0.34)	(0.21)
Net Asset Value, end of year	\$11.62	\$14.50	\$20.58	\$27.00	\$19.12
<b>TOTAL RETURN</b>	<b>(19.22%)</b>	<b>(24.40%)</b>	<b>(12.26%)</b>	<b>43.05%</b>	<b>34.56%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$300,132	\$448,623	\$710,844	\$962,714	\$718,633
Ratio of expenses to average net assets	1.15%	1.12%	1.06%	1.09%	1.09%
Ratio of net investment income (loss) to average net assets	0.65%	(0.01%)	0.13%	0.22%	0.96%
Portfolio turnover <sup>3</sup>	49.60%	49.38%	92.28%	52.64%	68.93%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$14.48	\$20.53	\$26.94	\$19.08	\$14.33
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.11	0.01	0.10	0.09	0.20
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	(2.88)	(4.97)	(3.26)	8.15	4.80
Total from investment operations	(2.77)	(4.96)	(3.16)	8.24	5.00
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.11)	—	(0.10)	(0.10)	(0.25)
Net realized gains on investments	—	(1.09)	(3.15)	(0.28)	—
Total distributions	(0.11)	(1.09)	(3.25)	(0.38)	(0.25)
Net Asset Value, end of year	\$11.60	\$14.48	\$20.53	\$26.94	\$19.08
<b>TOTAL RETURN</b>	<b>(19.11%)</b>	<b>(24.31%)</b>	<b>(12.07%)</b>	<b>43.23%</b>	<b>34.90%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$148,327	\$297,165	\$630,966	\$546,157	\$183,762
Ratio of expenses to average net assets	1.01%	0.98%	0.91%	0.93%	0.91%
Ratio of net investment income (loss) to average net assets	0.82%	0.07%	0.38%	0.40%	1.17%
Portfolio turnover <sup>3</sup>	49.60%	49.38%	92.28%	52.64%	68.93%

1 Calculated using the average daily shares method.

2 Less than \$0.01 per share.

3 The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews China Small Companies Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$11.11	\$16.44	\$19.86	\$12.84	\$9.58
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.01	0.02	0.09	(0.03)	0.14
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	(1.96)	(5.15)	(0.80)	10.42	3.24
Total from investment operations	(1.95)	(5.13)	(0.71)	10.39	3.38
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.21)	(0.20)	(0.12)	(0.13)	(0.13)
Net realized gains on investments	—	—	(2.59)	(3.24)	—
Total distributions	(0.21)	(0.20)	(2.71)	(3.37)	(0.13)
Paid-in capital from redemption fees (Note 4)	—	—	—	—	0.01 <sup>2</sup>
Net Asset Value, end of year	\$8.95	\$11.11	\$16.44	\$19.86	\$12.84
<b>TOTAL RETURN</b>	<b>(17.51%)</b>	<b>(31.26%)</b>	<b>(3.59%)</b>	<b>82.52%</b>	<b>35.41%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$66,174	\$114,440	\$218,398	\$285,717	\$63,432
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.55%	1.55%	1.48%	1.52%	1.62%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.41%	1.41%	1.43%	1.43%	1.42%
Ratio of net investment income (loss) to average net assets	0.09%	0.17%	0.44%	(0.14%)	1.25%
Portfolio turnover <sup>3</sup>	59.05%	59.00%	119.65%	152.86%	68.17%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$11.12	\$16.47	\$19.90	\$12.86	\$9.59
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.04	0.06	0.13	0.04	0.15
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	(1.98)	(5.17)	(0.80)	10.42	3.26
Total from investment operations	(1.94)	(5.11)	(0.67)	10.46	3.41
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.24)	(0.24)	(0.17)	(0.18)	(0.15)
Net realized gains on investments	—	—	(2.59)	(3.24)	—
Total distributions	(0.24)	(0.24)	(2.76)	(3.42)	(0.15)
Paid-in capital from redemption fees (Note 4)	—	—	—	—	0.01 <sup>2</sup>
Net Asset Value, end of year	\$8.94	\$11.12	\$16.47	\$19.90	\$12.86
<b>TOTAL RETURN</b>	<b>(17.37%)</b>	<b>(31.08%)</b>	<b>(3.35%)</b>	<b>82.89%</b>	<b>35.68%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$22,983	\$40,322	\$162,770	\$98,052	\$32,376
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.41%	1.38%	1.31%	1.37%	1.51%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.20%	1.20%	1.20%	1.20%	1.24%
Ratio of net investment income (loss) to average net assets	0.36%	0.47%	0.63%	0.20%	1.34%
Portfolio turnover <sup>3</sup>	59.05%	59.00%	119.65%	152.86%	68.17%

1 Calculated using the average daily shares method.

2 The Fund charged redemption fees through October 31, 2019.

3 The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.



# Financial Highlights *(continued)*

## Matthews India Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$22.09	\$28.17	\$26.29	\$23.27	\$26.32
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	(0.01)	(0.12)	(0.11)	0.01	(0.01)
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	5.10	(2.58)	4.81	3.81	(0.24)
Total from investment operations	5.09	(2.70)	4.70	3.82	(0.25)
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.51)	—	—	—	—
Net realized gains on investments	(0.30)	(3.38)	(2.82)	(0.80)	(2.80)
Total distributions	(0.81)	(3.38)	(2.82)	(0.80)	(2.80)
Net Asset Value, end of year	\$26.37	\$22.09	\$28.17	\$26.29	\$23.27
<b>TOTAL RETURN</b>	<b>23.10%</b>	<b>(9.92%)</b>	<b>18.11%</b>	<b>16.51%</b>	<b>(0.88%)</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$614,103	\$505,764	\$635,067	\$617,908	\$786,881
Ratio of expenses to average net assets	1.14%	1.15%	1.10%	1.15%	1.11%
Ratio of net investment income (loss) to average net assets	(0.04%)	(0.45%)	(0.38%)	0.05%	(0.03%)
Portfolio turnover <sup>2</sup>	50.98%	41.35%	42.50%	57.38%	24.00%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$22.54	\$28.64	\$26.65	\$23.55	\$26.56
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.02	(0.08)	(0.06)	0.05	0.02
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	5.21	(2.64)	4.87	3.85	(0.23)
Total from investment operations	5.23	(2.72)	4.81	3.90	(0.21)
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.54)	—	—	—	—
Net realized gains on investments	(0.30)	(3.38)	(2.82)	(0.80)	(2.80)
Total distributions	(0.84)	(3.38)	(2.82)	(0.80)	(2.80)
Net Asset Value, end of year	\$26.93	\$22.54	\$28.64	\$26.65	\$23.55
<b>TOTAL RETURN</b>	<b>23.32%</b>	<b>(9.83%)</b>	<b>18.28%</b>	<b>16.65%</b>	<b>(0.76%)</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$149,023	\$97,018	\$128,708	\$90,053	\$177,526
Ratio of expenses to average net assets	1.01%	1.01%	0.96%	1.03%	0.94%
Ratio of net investment income (loss) to average net assets	0.07%	(0.31%)	(0.19%)	0.24%	0.09%
Portfolio turnover <sup>2</sup>	50.98%	41.35%	42.50%	57.38%	24.00%

<sup>1</sup> Calculated using the average daily shares method.

<sup>2</sup> The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews Japan Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$14.90	\$22.09	\$25.27	\$21.51	\$18.53
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.09	0.07	0.09	0.07	0.11
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	2.59	(6.19)	(0.52)	6.25	4.73
Total from investment operations	2.68	(6.12)	(0.43)	6.32	4.84
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	—	—	(0.24)	(0.13)	(0.12)
Net realized gains on investments	—	(1.07)	(2.51)	(2.43)	(1.74)
Total distributions	—	(1.07)	(2.75)	(2.56)	(1.86)
Net Asset Value, end of year	\$17.58	\$14.90	\$22.09	\$25.27	\$21.51
<b>TOTAL RETURN</b>	<b>17.99%</b>	<b>(27.85%)</b>	<b>(1.92%)</b>	<b>29.82%</b>	<b>26.08%</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$239,578	\$208,329	\$373,739	\$1,101,820	\$1,466,194
Ratio of expenses to average net assets	1.09%	1.05%	0.95%	0.95%	0.93%
Ratio of net investment income (loss) to average net assets	0.58%	0.41%	0.38%	0.31%	0.51%
Portfolio turnover <sup>2</sup>	100.59%	83.38%	70.30%	62.03%	25.42%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$14.93	\$22.13	\$25.32	\$21.55	\$18.57
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.12	0.09	0.05	0.05	0.11
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	2.58	(6.22)	(0.46)	6.29	4.74
Total from investment operations	2.70	(6.13)	(0.41)	6.34	4.85
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	—	—	(0.27)	(0.14)	(0.13)
Net realized gains on investments	—	(1.07)	(2.51)	(2.43)	(1.74)
Total distributions	—	(1.07)	(2.78)	(2.57)	(1.87)
Net Asset Value, end of year	\$17.63	\$14.93	\$22.13	\$25.32	\$21.55
<b>TOTAL RETURN</b>	<b>18.08%</b>	<b>(27.84%)</b>	<b>(1.83%)</b>	<b>29.85%</b>	<b>26.10%</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$415,920	\$413,807	\$1,170,380	\$548,968	\$840,476
Ratio of expenses to average net assets	1.02%	0.97%	0.89%	0.91%	0.88%
Ratio of net investment income (loss) to average net assets	0.71%	0.55%	0.22%	0.25%	0.53%
Portfolio turnover <sup>2</sup>	100.59%	83.38%	70.30%	62.03%	25.42%

<sup>1</sup> Calculated using the average daily shares method.

<sup>2</sup> The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews Asian Growth and Income Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$12.50	\$16.07	\$18.05	\$15.73	\$13.92
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.23	0.22	0.17	0.21	0.25
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.18	(3.17)	(0.17)	2.27	2.13
Total from investment operations	0.41	(2.95)	—	2.48	2.38
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.34)	(0.21)	(0.20)	(0.16)	(0.35)
Net realized gains on investments	—	(0.41)	(1.78)	— <sup>2</sup>	(0.22)
Total distributions	(0.34)	(0.62)	(1.98)	(0.16)	(0.57)
Net Asset Value, end of year	\$12.57	\$12.50	\$16.07	\$18.05	\$15.73
<b>TOTAL RETURN</b>	<b>3.33%</b>	<b>(18.43%)</b>	<b>0.04%</b>	<b>16.00%</b>	<b>17.26%</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$244,698	\$339,756	\$541,744	\$673,576	\$723,815
Ratio of expenses to average net assets	1.15%	1.13%	1.07%	1.09%	1.08%
Ratio of net investment income (loss) to average net assets	1.78%	1.58%	0.91%	1.38%	1.67%
Portfolio turnover <sup>3</sup>	12.00%	13.16%	37.85%	36.27%	21.89%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$12.48	\$16.04	\$18.02	\$15.70	\$13.89
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.24	0.24	0.20	0.23	0.27
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.18	(3.16)	(0.17)	2.27	2.14
Total from investment operations	0.42	(2.92)	0.03	2.50	2.41
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.36)	(0.23)	(0.23)	(0.18)	(0.38)
Net realized gains on investments	—	(0.41)	(1.78)	— <sup>2</sup>	(0.22)
Total distributions	(0.36)	(0.64)	(2.01)	(0.18)	(0.60)
Net Asset Value, end of year	\$12.54	\$12.48	\$16.04	\$18.02	\$15.70
<b>TOTAL RETURN</b>	<b>3.39%</b>	<b>(18.31%)</b>	<b>0.18%</b>	<b>16.18%</b>	<b>17.46%</b>

<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$79,766	\$270,259	\$551,740	\$822,179	\$743,951
Ratio of expenses to average net assets	1.02%	1.01%	0.94%	0.96%	0.94%
Ratio of net investment income (loss) to average net assets	1.91%	1.71%	1.10%	1.51%	1.80%
Portfolio turnover <sup>3</sup>	12.00%	13.16%	37.85%	36.27%	21.89%

1 Calculated using the average daily shares method.

2 Less than \$0.01 per share.

3 The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews Asia Dividend Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$13.24	\$18.94	\$22.63	\$17.47	\$16.05
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.19	0.13	0.18	0.15	0.28
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.42	(5.72)	(0.81)	5.23	1.50
Total from investment operations	0.61	(5.59)	(0.63)	5.38	1.78
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.15)	(0.11)	(0.19)	(0.22)	(0.36)
Net realized gains on investments	—	—	(2.87)	—	—
Total distributions	(0.15)	(0.11)	(3.06)	(0.22)	(0.36)
Net Asset Value, end of year	\$13.70	\$13.24	\$18.94	\$22.63	\$17.47
<b>TOTAL RETURN</b>	<b>4.69%</b>	<b>(29.57%)</b>	<b>(2.83%)</b>	<b>31.25%</b>	<b>11.17%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$401,341	\$602,694	\$1,586,460	\$2,292,262	\$2,312,560
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	1.10%	1.10%	1.03%	1.03%	1.03%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	1.10%	1.10%	1.02%	1.02%	1.02%
Ratio of net investment income (loss) to average net assets	1.43%	0.84%	0.80%	0.85%	1.68%
Portfolio turnover <sup>2</sup>	75.88%	50.75%	47.41%	37.73%	30.32%
<b>INSTITUTIONAL CLASS</b>					
Year Ended Dec. 31,					
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$13.23	\$18.94	\$22.62	\$17.47	\$16.04
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.21	0.14	0.21	0.16	0.30
Net realized gain (loss) and unrealized appreciation/depreciation on investments, foreign currency related transactions and foreign capital gains taxes	0.41	(5.72)	(0.80)	5.22	1.50
Total from investment operations	0.62	(5.58)	(0.59)	5.38	1.80
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.17)	(0.13)	(0.22)	(0.23)	(0.37)
Net realized gains on investments	—	—	(2.87)	—	—
Total distributions	(0.17)	(0.13)	(3.09)	(0.23)	(0.37)
Net Asset Value, end of year	\$13.68	\$13.23	\$18.94	\$22.62	\$17.47
<b>TOTAL RETURN</b>	<b>4.77%</b>	<b>(29.55%)</b>	<b>(2.67%)</b>	<b>31.29%</b>	<b>11.35%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$650,333	\$1,248,676	\$3,154,407	\$2,908,674	\$3,057,896
Ratio of expenses to average net assets before any reimbursement, waiver or recapture of expenses by Advisor and Administrator (Note 4)	0.99%	0.99%	0.92%	0.93%	0.93%
Ratio of expenses to average net assets after any reimbursement, waiver or recapture of expenses by Advisor and Administrator	0.99%	0.99%	0.91%	0.93%	0.92%
Ratio of net investment income (loss) to average net assets	1.55%	0.95%	0.93%	0.91%	1.80%
Portfolio turnover <sup>2</sup>	75.88%	50.75%	47.41%	37.73%	30.32%

<sup>1</sup> Calculated using the average daily shares method.

<sup>2</sup> The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Financial Highlights *(continued)*

## Matthews China Dividend Fund

The tables below set forth financial data for a share of beneficial interest outstanding throughout each period presented.

INVESTOR CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$14.00	\$17.73	\$19.64	\$16.20	\$14.32
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.27	0.31	0.41	0.30	0.34
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	(3.12)	(3.27)	(0.48)	3.54	1.80
Total from investment operations	(2.85)	(2.96)	(0.07)	3.84	2.14
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.44)	(0.52)	(0.49)	(0.40)	(0.26)
Net realized gains on investments	—	(0.25)	(1.35)	—	—
Total distributions	(0.44)	(0.77)	(1.84)	(0.40)	(0.26)
Net Asset Value, end of year	\$10.71	\$14.00	\$17.73	\$19.64	\$16.20
<b>TOTAL RETURN</b>	<b>(20.67%)</b>	<b>(16.75%)</b>	<b>(0.49%)</b>	<b>24.22%</b>	<b>15.00%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$76,517	\$137,066	\$218,766	\$269,192	\$258,111
Ratio of expenses to average net assets	1.17%	1.20%	1.12%	1.15%	1.15%
Ratio of net investment income (loss) to average net assets	2.03%	2.12%	2.05%	1.79%	2.14%
Portfolio turnover <sup>2</sup>	27.30%	67.08%	68.25%	81.79%	65.69%

INSTITUTIONAL CLASS	Year Ended Dec. 31,				
	2023	2022	2021	2020	2019
Net Asset Value, beginning of year	\$14.00	\$17.72	\$19.64	\$16.20	\$14.32
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>1</sup>	0.27	0.31	0.53	0.31	0.35
Net realized gain (loss) and unrealized appreciation/depreciation on investments and foreign currency related transactions	(3.11)	(3.24)	(0.58)	3.55	1.81
Total from investment operations	(2.84)	(2.93)	(0.05)	3.86	2.16
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.46)	(0.54)	(0.52)	(0.42)	(0.28)
Net realized gains on investments	—	(0.25)	(1.35)	—	—
Total distributions	(0.46)	(0.79)	(1.87)	(0.42)	(0.28)
Net Asset Value, end of year	\$10.70	\$14.00	\$17.72	\$19.64	\$16.20
<b>TOTAL RETURN</b>	<b>(20.58%)</b>	<b>(16.59%)</b>	<b>(0.38%)</b>	<b>24.37%</b>	<b>15.16%</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>					
Net assets, end of year (in 000's)	\$42,165	\$84,220	\$131,395	\$115,451	\$122,630
Ratio of expenses to average net assets	1.04%	1.06%	0.97%	1.02%	1.01%
Ratio of net investment income (loss) to average net assets	2.09%	2.12%	2.65%	1.85%	2.25%
Portfolio turnover <sup>2</sup>	27.30%	67.08%	68.25%	81.79%	65.69%

<sup>1</sup> Calculated using the average daily shares method.

<sup>2</sup> The portfolio turnover rate is calculated on the Fund as a whole without distinguishing between classes of shares issued.

See accompanying notes to financial statements.

# Notes to Financial Statements

## 1. ORGANIZATION

Matthews International Funds (d/b/a Matthews Asia Funds) (the “Trust”) is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). As of December 31, 2023, the Trust issued twenty-three separate series of shares. This shareholder report pertains to thirteen of those series (each a “Fund”, and collectively, the “Funds”): Matthews Emerging Markets Equity Fund, Matthews Emerging Markets Sustainable Future Fund, Matthews Emerging Markets Small Companies Fund, Matthews Asia Growth Fund, Matthews Pacific Tiger Fund, Matthews Asia Innovators Fund, Matthews China Fund, Matthews China Small Companies Fund, Matthews India Fund, Matthews Japan Fund, Matthews Asian Growth and Income Fund, Matthews Asia Dividend Fund and Matthews China Dividend Fund. Each Fund, offers two classes of shares: Investor Class and Institutional Class. Each class of shares has identical voting, dividend, liquidation and other rights and the same terms and conditions, except each class may be subject to different class expenses as outlined in the relevant prospectus and each class has exclusive voting rights with respect to matters solely affecting such class. The other ten separate series of the Trust are Exchange Traded Funds and are covered in a separate shareholder report.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Funds in preparation of their financial statements. Each Fund follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 Financial Services—Investment Companies. The accounting policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**A. SECURITY VALUATION:** Pursuant to Rule 2a-5 under the 1940 Act, the Funds’ Board of Trustees (the “Board”) has designated authority to a Valuation Designee, Matthews International Capital Management, LLC (“Matthews”), the Funds’ investment adviser, to make fair valuation determinations under adopted procedures, subject to Board oversight. Matthews has formed a Valuation Committee (the “Valuation Committee”) to administer the pricing and valuation of portfolio securities and other assets and liabilities and to ensure that prices determined by Matthews or provided by third parties reasonably reflect fair value. The Valuation Designee may utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value. The value of the Trust’s securities is based on market quotations for those securities, or on their fair value determined by the valuation policies approved by the Board. Market quotations and valuation information are provided by commercial pricing services or securities dealers that are independent of the Funds and Matthews in accordance with procedures established by the Valuation Designee. Foreign exchange-traded securities are valued as of the close of trading on the primary exchange on which they trade. Securities that trade in over-the-counter markets, including most debt securities (bonds), may be valued by other third-party vendors or by using indicative bid quotations from dealers or market makers, or other available market information. Market values for securities are determined based on quotations, market data or other information from the principal (or most advantageous) market on which the security is traded. Market quotations for equity securities used by the Funds include last reported sale prices, or, if such prices are not reported or available, bid and ask prices. Swap agreements are valued utilizing quotes received daily by the Funds’ pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. Foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined at the close of business on the New York Stock Exchange (“NYSE”). Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available. The Funds may also utilize independent pricing services to assist them in determining a current market value for each security based on sources believed to be reliable.

When fair value pricing is employed, the prices of securities used by a Fund to calculate its Net Asset Value (“NAV”) may differ from any quoted or published prices for the same securities for that day. Events affecting the value of foreign investments may occur between the time at which they are determined and when the Funds calculate their NAV, which is normally the close of trading on the NYSE. If such events render market quotations unreliable, and the impact of such events can be reasonably determined, the investments will be valued at their fair value in accordance with pricing policies. The fair value of a security held by the Funds may be determined using the services of third-party pricing services to assist in this process.

The books and records of the Funds are maintained in U.S. dollars. Transactions, portfolio securities, and assets and liabilities denominated in a foreign currency are translated and recorded in U.S. dollars at the prevailing exchange rate as of the close of trading on the NYSE. The Fund does not isolate the effect of changes in foreign exchange rates from changes in market prices on securities held. Accordingly, such changes are included within Change in net unrealized appreciation/depreciation on investments on the Statement of Operations. Translation gains or losses resulting from changes in the exchange rate during the reporting period and realized gains and losses on the settlement of foreign currency transactions are reported in the results of operations for the current period. The Funds isolate that portion of gains and losses on investments in fixed income securities that is due to changes in foreign exchange rate from that which is due to changes in market prices of securities.

Foreign securities held by the Funds may be traded on days and at times when the NYSE is closed. Accordingly, the value of the Funds may be significantly affected on days when shareholders have no access to the Funds.

**B. FAIR VALUE MEASUREMENTS:** The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds’ own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds’ financial instruments and are summarized in the following fair value hierarchy:

Level 1: Unadjusted quoted prices in active markets for identical securities (foreign securities that are valued based on market quotations).

Level 2: Other significant observable inputs. Certain foreign securities may be fair valued by Matthews using information such as quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and foreign exchange. Additionally, external pricing services are used when the Funds determine that events affecting the value of foreign securities which occur between the time at which they are determined and the close of trading on the NYSE render market quotations unreliable.

Level 3: Significant unobservable inputs. Level 3 securities are valued based on significant unobservable inputs as determined under procedures approved by the Board. Characterization of such securities as Level 3 securities are not necessarily an indication of their liquidity or the risk associated with investing in these securities. A significant change in the unobservable inputs could result in a significantly lower or higher value in such Level 3 securities and could impact overall Fund performance.

## Notes to Financial Statements *(continued)*

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

### Levels for Multi-Country Funds (1 of 2):

Summary of inputs used to determine the fair valuation of multi-country Funds' investments as of December 31, 2023.

	Matthews Emerging Markets Equity Fund	Matthews Emerging Markets Sustainable Future Fund	Matthews Emerging Markets Small Companies Fund	Matthews Asia Growth Fund
<b>Assets:</b>				
<b>Investments:</b>				
Level 1: Quoted Prices				
Common Equities:				
Brazil	\$748,977	\$1,642,959	\$—	\$—
Chile	—	1,476,170	21,637,359	—
China/Hong Kong	745,532	29,044,300	53,984,337	28,314,321
Estonia	—	1,062,240	—	—
France	505,889	—	—	—
India	1,777,082	—	—	—
Kazakhstan	313,812	—	—	—
Mexico	1,875,982	—	626,837	—
Netherlands	—	—	—	4,300,820
Philippines	249,668	—	5,521,449	—
Romania	—	2,890,504	—	—
Saudi Arabia	201,261	—	—	—
Taiwan	—	—	—	10,695,464
Turkey	—	—	3,498,809	—
United Arab Emirates	206,079	—	1,530,647	—
United States	1,151,736	7,458,972	—	11,323,915
Sub-total	7,776,018	43,575,145	86,799,438	54,634,520
Level 2: Other Significant Observable Inputs				
Common Equities:				
Australia	502,280	—	—	9,416,070
Bangladesh	—	1,228,075	2,844,698	—
Brazil	1,537,878	14,642,510	58,382,003	—
China/Hong Kong	2,552,876	51,465,092	123,174,892	35,436,851
France	267,325	—	—	—
India	1,747,432	42,602,943	146,277,512	67,503,173
Indonesia	462,057	—	8,982,642	15,387,273
Japan	—	—	—	136,514,940
Jordan	—	2,369,196	—	—
Philippines	310,954	—	8,699,805	5,697,364
Poland	419,517	7,020,895	10,086,420	—
Saudi Arabia	—	4,825,639	10,554,444	—
South Korea	302,314	11,088,848	44,599,337	17,325,692
Switzerland	295,586	—	—	—
Taiwan	1,399,523	22,561,688	71,506,126	22,905,661
Thailand	—	—	5,698,550	4,458,492
United Arab Emirates	222,861	—	—	—
United Kingdom	435,320	—	—	—
Vietnam	1,055,502	3,208,861	27,762,042	—
Sub-total	11,511,425	161,013,747	518,568,471	314,645,516
Preferred Equities:				
Brazil	—	—	10,419,851	—
South Korea	1,270,389	8,392,916	—	—
Level 3: Significant Unobservable Inputs				
Common Equities:				
Russia	1,875	—	25,119	—
Total Market Value of Investments	\$20,559,707	\$212,981,808	\$615,812,879	\$369,280,036

## Notes to Financial Statements *(continued)*

### Levels for Multi-Country Funds (2 of 2):

Summary of inputs used to determine the fair valuation of multi-country Funds' investments as of December 31, 2023.

	Matthews Pacific Tiger Fund	Matthews Asia Innovators Fund	Matthews Asian Growth and Income Fund	Matthews Asia Dividend Fund
<b>Assets:</b>				
<b>Investments:</b>				
Level 1: Quoted Prices				
Common Equities:				
Brazil	\$—	\$3,469,961	\$—	\$—
China/Hong Kong	104,467,100	50,461,406	11,193,918	16,926,685
Netherlands	—	5,900,948	—	—
India	—	—	5,338,928	—
Philippines	40,377,714	—	—	—
Singapore	—	—	—	16,134,315
Taiwan	—	—	—	14,031,576
United States	—	15,678,986	4,768,620	—
<b>Sub-total</b>	<b>144,844,814</b>	<b>75,511,301</b>	<b>21,301,466</b>	<b>47,092,576</b>
Level 2: Other Significant Observable Inputs				
Convertible Corporate Bonds <sup>a</sup>	—	—	26,367,912	—
Common Equities:				
Australia	—	—	4,086,902	109,391,245
Bangladesh	—	—	—	5,193,820
China/Hong Kong	572,084,691	52,453,194	110,134,497	263,231,321
France	—	—	11,216,575	—
India	389,340,586	80,014,559	33,597,311	87,223,080
Indonesia	53,718,788	11,044,000	8,144,534	26,667,536
Japan	—	—	—	334,974,451
Philippines	—	—	6,178,281	—
Singapore	29,552,529	—	19,215,419	20,978,878
South Korea	276,636,576	43,719,269	31,166,085	68,513,474
Taiwan	364,382,101	46,624,510	40,773,006	79,608,080
Thailand	64,907,821	—	5,044,322	16,997,974
Vietnam	66,217,201	—	—	15,359,353
<b>Sub-total</b>	<b>1,816,840,293</b>	<b>233,855,532</b>	<b>269,556,932</b>	<b>1,028,139,212</b>
<b>Total Market Value of Investments</b>	<b>\$1,961,685,107</b>	<b>\$309,366,833</b>	<b>\$317,226,310</b>	<b>\$1,075,231,788</b>

a Industry, countries, or security types are disclosed on the Schedule of Investments.



## Notes to Financial Statements (continued)

### Levels for Single Country Funds:

Summary of inputs used to determine the fair valuation of the single country Funds' investments as of December 31, 2023.

	Matthews China Fund	Matthews China Small Companies Fund	Matthews India Fund	Matthews Japan Fund	Matthews China Dividend Fund
<b>Assets:</b>					
<b>Investments:</b>					
Level 1: Quoted Prices					
Common Equities:					
Communication Services	\$8,148,023	\$4,617,305	\$—	\$—	\$1,999,861
Consumer Discretionary	47,843,263	1,967,783	4,455,028	—	8,671,877
Consumer Staples	5,201,522	—	8,521,804	—	—
Health Care	16,692	2,326,068	15,049,926	—	—
Industrials	—	2,012,017	—	—	2,448,243
Information Technology	—	3,724,637	—	—	—
Real Estate	17,346,208	—	—	—	2,940,802
Sub-total	78,555,708	14,647,810	28,026,758	—	16,060,783
Level 2: Other Significant Observable Inputs					
Common Equities:					
Communication Services	60,646,997	1,315,870	1,850,031	28,052,671	18,460,844
Consumer Discretionary	115,812,983	17,547,448	92,309,180	131,494,250	23,786,246
Consumer Staples	26,419,451	8,120,739	59,828,259	32,761,558	10,342,509
Energy	8,358,996	—	40,455,704	—	3,566,098
Financials	80,678,065	2,451,327	261,155,537	69,760,689	18,194,379
Health Care	21,800,881	7,790,241	58,904,180	37,452,979	6,621,667
Industrials	30,166,169	16,195,620	90,230,180	136,800,100	4,228,705
Information Technology	23,218,892	12,945,002	107,617,943	144,170,310	6,045,289
Materials	—	—	34,155,345	41,486,268	5,263,145
Real Estate	9,693,266	5,913,211	6,080,854	16,354,407	4,910,364
Utilities	3,246,203	2,462,334	7,552,660	—	—
Sub-total	380,041,903	74,741,792	760,139,873	638,333,232	101,419,246
Non Convertible Corporate Bonds:					
Consumer Staples	—	—	23,704	—	—
Total Market Value of Investments	\$458,597,611	\$89,389,602	\$788,190,335	\$638,333,232	\$117,480,029

### Changes in the Balances of Level 3 Securities:

The Funds' policy is to recognize transfers in and transfers out of Level 3 during the reporting period.

	Matthews Emerging Markets Equity Fund	Matthews Emerging Markets Small Companies Fund	Matthews China Small Companies Fund
	Common Equities— Russia	Common Equities— Russia	Common Equities— Real Estate
Balance as of 12/31/22 (market value)	\$2,177	\$30,067	\$250
Accrued discounts/premiums	—	—	—
Realized gain/(loss)	—	—	(56,386)
Change in unrealized appreciation/(depreciation)	(302)	(4,948)	64,433
Purchases	—	—	—
Sales	—	—	(8,297)
Transfers in to Level 3	—	—	—
Transfer out of Level 3	—	—	—
Balance as of 12/31/23 (market value)	\$1,875	\$25,119	\$—
Net change in unrealized appreciation/depreciation on Level 3 investments held as of 12/31/23*	(\$302)	(\$4,948)	\$—

\* Included in the related amounts on the Statements of Operations.

**C. RISKS ASSOCIATED WITH NON-U.S. COMPANIES:** Investments by the Funds in the securities of non-U.S. companies may involve investment risks not typically associated with investments in U.S. issuers. These risks include possible political, economic, social and religious instability; inadequate investor protection; changes in laws or regulations of Emerging Market or Asia Pacific countries where the Funds may invest; international relations with other nations; natural disasters; corruption; and military activity. Foreign securities may trade in securities markets that are substantially smaller, less developed, less liquid and more volatile than the major securities markets in the United States. Foreign securities may be subject to greater fluctuations in price than securities of domestic corporations or the U.S. government. Foreign investing may also include the risk of

## Notes to Financial Statements *(continued)*

expropriation or confiscatory taxation, limitation on the removal of funds or other assets, currency crises and exchange controls, the imposition of foreign withholding tax on the interest income payable on such instruments, the possible seizure or nationalization of foreign deposits or assets, or the adoption of other foreign government restrictions that might adversely affect the foreign securities held by the Funds. Additionally, Emerging Market and Asia Pacific countries may utilize formal or informal currency exchange controls or “capital controls” that may limit the ability to repatriate investments or income or adversely affect the value of portfolio investments. The economies of many Emerging Market and Asia Pacific countries differ from the economies of more developed countries in many respects, such as their rate of growth, inflation, capital reinvestment, resource self-sufficiency and dependence on other economies, financial system stability, the national balance of payments position and sensitivity to changes in global trade.

Certain Emerging Market and Asia Pacific countries are highly dependent upon and may be affected by developments in the economies of other countries. Non-U.S. companies are subject to different accounting, auditing, and financial reporting standards, practices, and requirements than U.S. companies. There is generally less government regulation of stock exchanges, brokers, and listed companies abroad than in the United States, which may result in less transparency with respect to a company’s operations, and make obtaining information about them more difficult (or such information may be unavailable).

Among other risks of investing in foreign markets, particularly those of emerging and frontier markets in which the Funds invest, are the variable quality and reliability of financial information and related audits of companies. In some cases, financial information and related audits can be unreliable and not subject to verification. Auditing firms in some of these markets are not subject to independent inspection or oversight of audit quality. For example, China does not allow the Public Company Accounting Oversight Board to inspect the work that auditors perform in China for Chinese companies that sell stock into U.S. markets. This can result in investment decisions being made based on flawed or misleading information.

Foreign stock markets, particularly those of emerging and frontier markets in which the Funds invest, may not be as developed or efficient as those in more developed markets such as the United States, and the absence of negotiated brokerage commissions in certain countries may result in higher brokerage fees. The time between the trade and settlement dates of securities transactions on foreign exchanges ranges from one day to four weeks or longer and may result in higher custody charges. Custodial arrangements may be less well developed than in the United States. Foreign securities are generally denominated and pay distributions in foreign currencies, exposing the Funds to changes in foreign currency exchange rates. Investing in any Emerging Market or Asia Pacific country will also entail risks specific and unique to that country, and these risks can be significant and change rapidly.

Changes in interest rates in each of the countries in which the Funds may invest, as well as interest rates in more-developed countries, may cause a decline in the market value of an investment. Generally, fixed income securities will decrease in value when interest rates rise and can be expected to rise in value when interest rates decline. As interest rates decline, debt issuers may repay or refinance their loans or obligations earlier than anticipated.

The Funds may invest in certain operating companies in China through legal structures known as variable interest entities (“VIEs”). In China, ownership of companies in certain sectors by foreign individuals and entities (including U.S. persons and entities such as the Fund) is prohibited. In order to facilitate foreign investment in these businesses, many Chinese companies have created VIEs. In such an arrangement, a China-based operating company typically establishes an offshore shell company in another jurisdiction, such as the Cayman Islands. That shell company enters into service and other contracts with the China-based operating company, then issues shares on a foreign exchange, such as the New York Stock Exchange. Foreign investors hold stock in the shell company rather than directly in the China-based operating company. This arrangement allows U.S. investors to obtain economic exposure to the China-based company through contractual means rather than through formal equity ownership.

VIEs are a longstanding industry practice and well known to officials and regulators in China; however, VIEs are not formally recognized under Chinese law. Recently, the government of China provided new guidance to and placed restrictions on China-based companies raising capital offshore, including through VIE structures. Investors face uncertainty about future actions by the government of China that could significantly affect an operating company’s financial performance and the enforceability of the shell company’s contractual arrangements. It is uncertain whether Chinese officials or regulators will withdraw their implicit acceptance of the VIE structure, or whether any new laws, rules or regulations relating to VIE structures will be adopted or, if adopted, what impact they would have on the interests of foreign shareholders. Under extreme circumstances, China might prohibit the existence of VIEs, or sever their ability to transmit economic and governance rights to foreign individuals and entities; if so, the market value of the Funds’ associated portfolio holdings would likely suffer significant, detrimental, and possibly permanent effects, which could result in substantial investment losses.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict. Economic sanctions have since been imposed on Russia and certain of its citizens, including the exclusion of Russia from the SWIFT global payments network. As a result, Russian-related stocks and debt have since suffered significant declines in value. The ongoing conflict, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, has the potential to impact adversely global economies and has driven a sharp increase in volatility across markets. The duration of the Russian-Ukraine conflict and its effect on financial markets cannot be determined with certainty. The Funds’ performance could be negatively impacted if the value of a portfolio holding were harmed by these and such other events. Management is actively monitoring these events. As of December 31, 2023, the Russian positions held across the Matthews Asia Funds were valued near zero.

- D. DISTRIBUTIONS TO SHAREHOLDERS:** It is the policy of Matthews Asian Growth and Income Fund and Matthews China Dividend Fund to distribute net investment income on a semi-annual basis and capital gains, if any, annually. It is the policy of Matthews Asia Dividend Fund to distribute net investment income on a quarterly basis and capital gains, if any, annually. Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP.

## Notes to Financial Statements *(continued)*

The tax character of distributions paid for the fiscal years ended December 31, 2023 and December 31, 2022 were as follows:

YEAR ENDED DECEMBER 31, 2023	Ordinary Income	Net Long-Term Capital Gains	Total Taxable Distributions
Matthews Emerging Markets Equity Fund	\$422,432	\$—	\$422,432
Matthews Emerging Markets Sustainable Future Fund	7,022,135	8,301,672	15,323,807
Matthews Emerging Markets Small Companies Fund	9,668,640	39,323,118	48,991,758
Matthews Asia Growth Fund	7,189,167	—	7,189,167
Matthews Pacific Tiger Fund	64,358,726	—	64,358,726
Matthews Asia Innovators Fund	290,255	—	290,255
Matthews China Fund	4,081,170	—	4,081,170
Matthews China Small Companies Fund	2,172,164	—	2,172,164
Matthews India Fund	14,188,398	8,461,800	22,650,198
Matthews Japan Fund	—	—	—
Matthews Asian Growth and Income Fund	11,994,498	—	11,994,498
Matthews Asia Dividend Fund	17,501,957	—	17,501,957
Matthews China Dividend Fund	6,178,415	—	6,178,415

YEAR ENDED DECEMBER 31, 2022	Ordinary Income	Net Long-Term Capital Gains	Total Taxable Distributions
Matthews Emerging Markets Equity Fund	\$658,304	\$—	\$658,304
Matthews Emerging Markets Sustainable Future Fund	1,492,800	7,214,833	8,707,633
Matthews Emerging Markets Small Companies Fund	3,923,578	24,305,438	28,229,016
Matthews Asia Growth Fund	5	18,069,743	18,069,748
Matthews Pacific Tiger Fund	16,179,343	286,471,072	302,650,415
Matthews Asia Innovators Fund	—	104,645,624	104,645,624
Matthews China Fund	240	54,199,190	54,199,430
Matthews China Small Companies Fund	3,042,313	—	3,042,313
Matthews India Fund	708,348	82,241,918	82,950,266
Matthews Japan Fund	—	46,366,482	46,366,482
Matthews Asian Growth and Income Fund	12,257,793	20,816,547	33,074,340
Matthews Asia Dividend Fund	26,407,965	—	26,407,965
Matthews China Dividend Fund	9,296,913	3,944,924	13,241,837

**E. INVESTMENT TRANSACTIONS AND INCOME:** Securities transactions are accounted for on the date the securities are purchased or sold or on the following business day. Financial statements reflect security transactions on trade date. Gains or losses on the sale of securities are determined on the identified cost basis. Interest income is recorded on the accrual basis. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized daily on an accrual basis. Dividend income is generally recorded on the ex-dividend date net of any foreign taxes withheld at the source. Dividend income for certain issuers headquartered in countries which the Funds invest may not be recorded until approved by the shareholders (which may occur after the ex-dividend date) if, in the judgment of management, such dividends are not reasonably determined as of the ex-dividend date. Income and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which they invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, the Funds record an estimated deferred tax liability in an amount that may be payable if the securities were disposed of on the valuation date.

**F. FUND EXPENSE ALLOCATIONS:** The Funds account separately for the assets, liabilities and operations of each Fund. Estimated expenses are accrued daily. Direct expenses of each Fund or class are charged to that Fund or class while general expenses are allocated pro-rata among the Funds based on net assets or other appropriate methods.

**G. CASH, CASH OVERDRAFTS, AND FOREIGN CURRENCY:** When any of the Funds' cash balances are overdrawn, a Fund is charged an overdraft fee by the custodian based on the BBH Overdraft Base Rate which are set daily reflecting BBH's effective trading rate in the relevant local money markets on each day. In markets where a true money market rate is not available, or is not reflective of the market, the BBH Treasury Group sets overdraft rates on a market-by-market basis, taking into consideration market standards and conditions.

QFI accounts (i.e., the accounts through which the QFI quota is accessed) are required by the local market to maintain a cash reserve. The cash reserve is based upon a fixed ratio of the QFI's approved investment quota, which is defined as the amount remitted into its special Renminbi (RMB) cash account. These amounts, if any, are included in "Segregated foreign currency at value" on the Statements of Assets and Liabilities. The fixed ratio is set at 0.08 percent for the Shanghai and 0.06 percent for the Shenzhen market.

**H. USE OF ESTIMATES:** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**I. RECENT ACCOUNTING GUIDANCE:** The FASB issued Accounting Standards Update (ASU), ASU 2020-04, *Reference Rate Reform (Topic 848)*—*Facilitation of the Effects of Reference Rate Reform on Financial Reporting* in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered

## Notes to Financial Statements *(continued)*

based reference rates, through December 31, 2022. In December, 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to have a material impact on the fund's financial statements.

In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, *Fair Value Measurement (Topic 820)—Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, the funds opted to early adopt, as permitted, effective December 1, 2022. Adoption of the guidance did not have a material impact on the fund's financial statements.

### 3. CAPITAL SHARE TRANSACTIONS

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>MATTHEWS EMERGING MARKETS EQUITY FUND</b>				
<b>Investor Class</b>				
Shares sold	130,199	\$1,517,088	543,935	\$6,760,608
Shares issued through reinvestment of distributions	14,802	172,882	14,921	169,949
Shares redeemed	(241,424)	(2,808,019)	(580,296)	(6,968,303)
Net (decrease)	(96,423)	(\$1,118,049)	(21,440)	(\$37,746)
<b>Institutional Class</b>				
Shares sold	135,272	\$1,568,754	538,021	\$6,550,963
Shares issued through reinvestment of distributions	11,876	138,360	32,061	364,856
Shares redeemed	(1,291,280)	(15,062,357)	(999,790)	(10,801,893)
Net (decrease)	(1,144,132)	(\$13,355,243)	(429,708)	(\$3,886,074)
<b>MATTHEWS EMERGING MARKETS SUSTAINABLE FUTURE FUND</b>				
<b>Investor Class</b>				
Shares sold	1,400,341	\$18,501,952	1,098,927	\$14,356,992
Shares issued through reinvestment of distributions	218,988	2,728,585	126,489	1,643,095
Shares redeemed	(1,153,317)	(15,028,964)	(1,223,916)	(16,262,366)
Net increase (decrease)	466,012	\$6,201,573	1,500	(\$262,279)
<b>Institutional Class</b>				
Shares sold	9,725,550	\$127,823,168	8,359,951	\$109,214,942
Shares issued through reinvestment of distributions	934,309	11,650,833	520,431	6,765,600
Shares redeemed	(8,197,384)	(106,508,110)	(3,359,345)	(43,484,222)
Net increase	2,462,475	\$32,965,891	5,521,037	\$72,496,320
<b>MATTHEWS EMERGING MARKETS SMALL COMPANIES FUND</b>				
<b>Investor Class</b>				
Shares sold	6,657,405	\$171,573,564	1,463,829	\$36,219,282
Shares issued through reinvestment of distributions	805,324	20,414,960	435,633	10,354,992
Shares redeemed	(2,312,400)	(59,107,206)	(1,685,415)	(43,078,500)
Net increase	5,150,329	\$132,881,318	214,047	\$3,495,774
<b>Institutional Class</b>				
Shares sold	6,161,600	\$158,396,820	4,719,237	\$119,349,047
Shares issued through reinvestment of distributions	932,178	23,593,436	709,335	16,832,529
Shares redeemed	(4,141,488)	(105,630,589)	(2,933,352)	(71,109,980)
Net increase	2,952,290	\$76,359,667	2,495,220	\$65,071,596
<b>MATTHEWS ASIA GROWTH FUND</b>				
<b>Investor Class</b>				
Shares sold	681,889	\$14,671,656	2,196,500	\$53,440,225
Shares issued through reinvestment of distributions	133,749	2,784,644	280,586	6,105,563
Shares redeemed	(4,000,268)	(83,059,590)	(9,394,517)	(217,632,827)
Net (decrease)	(3,184,630)	(\$65,603,290)	(6,917,431)	(\$158,087,039)
<b>Institutional Class</b>				
Shares sold	2,171,266	\$46,938,027	8,636,741	\$205,709,835
Shares issued through reinvestment of distributions	183,188	3,861,598	461,447	10,165,668
Shares redeemed	(11,858,416)	(250,750,018)	(26,559,936)	(616,610,455)
Net (decrease)	(9,503,962)	(\$199,950,393)	(17,461,748)	(\$400,734,952)

# Notes to Financial Statements *(continued)*

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>MATTHEWS PACIFIC TIGER FUND</b>				
<b>Investor Class</b>				
Shares sold	2,622,151	\$53,264,269	6,112,939	\$142,892,124
Shares issued through reinvestment of distributions	1,153,844	20,936,017	4,149,003	86,008,839
Shares redeemed	(19,399,003)	(376,726,108)	(23,272,445)	(523,023,023)
Net (decrease)	(15,623,008)	(\$302,525,822)	(13,010,503)	(\$294,122,060)
<b>Institutional Class</b>				
Shares sold	28,865,705	\$594,631,720	62,395,908	\$1,443,573,678
Shares issued through reinvestment of distributions	2,010,240	36,465,745	9,622,597	199,476,439
Shares redeemed	(94,570,201)	(1,825,016,435)	(137,484,729)	(3,041,572,531)
Net (decrease)	(63,694,256)	(\$1,193,918,970)	(65,466,224)	(\$1,398,522,414)
<b>MATTHEWS ASIA INNOVATORS FUND</b>				
<b>Investor Class</b>				
Shares sold	3,379,530	\$39,588,998	7,678,394	\$115,859,588
Shares issued through reinvestment of distributions	259	2,861	4,958,740	58,612,306
Shares redeemed	(11,577,974)	(127,586,880)	(13,166,923)	(190,724,602)
Net (decrease)	(8,198,185)	(\$87,995,021)	(529,789)	(\$16,252,708)
<b>Institutional Class</b>				
Shares sold	6,073,905	\$71,458,317	9,489,396	\$148,205,928
Shares issued through reinvestment of distributions	25,503	285,889	3,693,765	44,362,122
Shares redeemed	(11,400,103)	(126,539,681)	(44,606,226)	(688,227,731)
Net (decrease)	(5,300,695)	(\$54,795,475)	(31,423,065)	(\$495,659,681)
<b>MATTHEWS CHINA FUND</b>				
<b>Investor Class</b>				
Shares sold	5,405,372	\$76,137,353	6,751,257	\$111,112,645
Shares issued through reinvestment of distributions	205,358	2,318,493	2,084,117	31,178,384
Shares redeemed	(10,724,293)	(141,161,279)	(12,430,268)	(194,631,328)
Net (decrease)	(5,113,563)	(\$62,705,433)	(3,594,894)	(\$52,340,299)
<b>Institutional Class</b>				
Shares sold	8,772,746	\$124,615,158	15,868,949	\$265,191,549
Shares issued through reinvestment of distributions	140,159	1,579,591	1,343,972	20,078,939
Shares redeemed	(16,651,610)	(207,963,225)	(27,424,340)	(427,780,367)
Net (decrease)	(7,738,705)	(\$81,768,476)	(10,211,419)	(\$142,509,879)
<b>MATTHEWS CHINA SMALL COMPANIES FUND</b>				
<b>Investor Class</b>				
Shares sold	1,298,646	\$14,331,798	3,436,963	\$44,992,214
Shares issued through reinvestment of distributions	175,856	1,551,048	173,336	1,984,698
Shares redeemed	(4,378,721)	(44,437,991)	(6,599,506)	(82,835,265)
Net (decrease)	(2,904,219)	(\$28,555,145)	(2,989,207)	(\$35,858,353)
<b>Institutional Class</b>				
Shares sold	1,047,082	\$11,271,484	2,927,129	\$38,281,777
Shares issued through reinvestment of distributions	66,880	589,214	78,949	904,757
Shares redeemed	(2,169,833)	(21,888,754)	(9,263,348)	(106,586,014)
Net (decrease)	(1,055,871)	(\$10,028,056)	(6,257,270)	(\$67,399,480)
<b>MATTHEWS INDIA FUND</b>				
<b>Investor Class</b>				
Shares sold	3,919,696	\$95,491,976	1,593,397	\$42,087,227
Shares issued through reinvestment of distributions	676,925	17,586,533	2,952,961	67,091,273
Shares redeemed	(4,205,352)	(99,370,862)	(4,188,976)	(106,860,935)
Net increase	391,269	\$13,707,647	357,382	\$2,317,565
<b>Institutional Class</b>				
Shares sold	2,213,514	\$55,491,165	894,519	\$22,947,980
Shares issued through reinvestment of distributions	136,550	3,622,667	456,719	10,591,311
Shares redeemed	(1,121,111)	(27,232,664)	(1,541,629)	(39,262,095)
Net increase (decrease)	1,228,953	\$31,881,168	(190,391)	(\$5,722,804)

## Notes to Financial Statements *(continued)*

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>MATTHEWS JAPAN FUND</b>				
<b>Investor Class</b>				
Shares sold	2,053,466	\$33,532,012	1,890,537	\$31,931,773
Shares issued through reinvestment of distributions	—	—	877,175	13,482,177
Shares redeemed	(2,411,922)	(39,284,868)	(5,698,655)	(100,302,819)
Net (decrease)	(358,456)	(\$5,752,856)	(2,930,943)	(\$54,888,869)
<b>Institutional Class</b>				
Shares sold	9,113,265	\$148,126,179	20,568,891	\$361,445,980
Shares issued through reinvestment of distributions	—	—	1,915,282	29,495,342
Shares redeemed	(13,244,007)	(213,636,143)	(47,662,766)	(784,368,302)
Net (decrease)	(4,130,742)	(\$65,509,964)	(25,178,593)	(\$393,426,980)
<b>MATTHEWS ASIAN GROWTH AND INCOME FUND</b>				
<b>Investor Class</b>				
Shares sold	1,396,555	\$17,652,386	2,072,697	\$28,836,381
Shares issued through reinvestment of distributions	578,586	7,288,561	1,292,489	16,634,895
Shares redeemed	(9,682,174)	(123,004,211)	(9,901,120)	(135,266,079)
Net (decrease)	(7,707,033)	(\$98,063,264)	(6,535,934)	(\$89,794,803)
<b>Institutional Class</b>				
Shares sold	3,200,353	\$41,505,777	9,508,243	\$131,777,583
Shares issued through reinvestment of distributions	329,356	4,177,281	1,200,111	15,469,643
Shares redeemed	(18,830,714)	(234,492,223)	(23,448,483)	(305,383,902)
Net (decrease)	(15,301,005)	(\$188,809,165)	(12,740,129)	(\$158,136,676)
<b>MATTHEWS ASIA DIVIDEND FUND</b>				
<b>Investor Class</b>				
Shares sold	1,959,768	\$26,746,118	7,514,453	\$115,243,327
Shares issued through reinvestment of distributions	411,838	5,421,653	505,887	7,582,603
Shares redeemed	(18,593,714)	(249,195,190)	(46,253,275)	(662,868,059)
Net (decrease)	(16,222,108)	(\$217,027,419)	(38,232,935)	(\$540,042,129)
<b>Institutional Class</b>				
Shares sold	8,552,111	\$116,613,098	39,426,296	\$582,376,055
Shares issued through reinvestment of distributions	812,192	10,685,012	1,155,172	17,289,211
Shares redeemed	(56,199,056)	(757,417,514)	(112,802,946)	(1,587,005,266)
Net (decrease)	(46,834,753)	(\$630,119,404)	(72,221,478)	(\$987,340,000)
<b>MATTHEWS CHINA DIVIDEND FUND</b>				
<b>Investor Class</b>				
Shares sold	1,208,680	\$17,048,437	2,997,704	\$43,780,103
Shares issued through reinvestment of distributions	313,080	3,747,677	563,832	8,208,582
Shares redeemed	(4,169,134)	(51,639,118)	(6,111,791)	(84,105,056)
Net (decrease)	(2,647,374)	(\$30,843,004)	(2,550,255)	(\$32,116,371)
<b>Institutional Class</b>				
Shares sold	1,693,605	\$23,175,473	2,658,451	\$38,472,050
Shares issued through reinvestment of distributions	183,645	2,193,203	320,617	4,657,289
Shares redeemed	(3,953,406)	(50,423,051)	(4,375,736)	(62,829,410)
Net (decrease)	(2,076,156)	(\$25,054,375)	(1,396,668)	(\$19,700,071)

#### 4. INVESTMENT ADVISORY FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Matthews, a registered investment advisor under the 1940 Act, provides the Funds with investment management services. Pursuant to the prior Investment Advisory Agreement dated August 13, 2004, as amended (the "Prior Advisory Agreement") and the current Investment Advisory Agreement dated February 1, 2016, as amended (the "Current Advisory Agreement," and together with the Prior Advisory Agreement, the "Advisory Agreement"), the Funds pay Matthews (i) for management and advisory services; and (ii) for certain administrative services, an annual fee as a percentage of average daily net assets. Under the Advisory Agreement each of the Funds, other than Matthews Emerging Markets Small Companies Fund and Matthews China Small Companies Fund (the "Family-Priced Funds"), pays Matthews 0.75% of their aggregate average daily net assets up to \$2 billion, 0.6834% of their aggregate average daily net assets over \$2 billion up to \$5 billion, 0.65% of their aggregate average daily net assets over \$5 billion up to \$25 billion, 0.64% of their aggregate average daily net assets over \$25 billion up to \$30 billion, 0.63% of their aggregate average daily net assets over \$30 billion up to \$35 billion, 0.62% of their aggregate average daily net assets over \$35 billion up to \$40 billion, 0.61% of their aggregate average daily net assets over \$40 billion up to \$45 billion, and 0.60% of their aggregate average daily net assets over \$45 billion. Each of the Matthews Emerging Markets Small Companies Fund and the Matthews China Small Companies Fund pays Matthews an annual fee of 1.00% of the average daily net assets of such Fund up to \$1 billion and 0.95% of the average daily net assets of such Fund over \$1 billion pursuant to the Advisory Agreement. Each Fund pays Matthews a monthly fee at the annual rate using the applicable management fee calculated based on the actual number of days of that month and based on the Fund's average daily net asset value for the month.

## Notes to Financial Statements *(continued)*

Pursuant to a fee waiver letter agreement, effective as of September 1, 2014, between the Trust, on behalf of the Family-Priced Funds, and Matthews (as amended from time to time, the “Fee Waiver Agreement”), for each Family-Priced Fund, Matthews has agreed to waive a portion of the fee payable under the Advisory Agreement and a portion of the fee payable under the Administration and Shareholder Services Agreement, if any Family-Priced Fund’s average daily net assets are over \$3 billion, as follows: for every \$2.5 billion average daily net assets of a Family-Priced Fund that are over \$3 billion, the fee rates that otherwise would be applied for calculating fees payable under the Advisory Agreement and the Administration and Shareholder Services Agreement for such Family-Priced Fund with respect to such excess average daily net assets will be each reduced by 0.01%, in each case without reducing such fee rate below 0.00%.

Investment advisory fees charged, waived fees and reimbursed additional expenses for the year ended December 31, 2023, were as follows:

	Gross Advisory Fees	Advisory Fees Waived and Expenses Waived or Reimbursed in Excess of the Expense Limitation	Net Advisory Fee/ (Net Reimbursement)
Matthews Emerging Markets Equity Fund	\$165,051	(\$143,956)	\$21,095
Matthews Emerging Markets Sustainable Future Fund	1,554,456	—	1,554,456
Matthews Emerging Markets Small Companies Fund	5,015,523	(960,093)	4,055,430
Matthews Asia Growth Fund	3,650,147	—	3,650,147
Matthews Pacific Tiger Fund	23,257,575	(54,495)	23,203,080
Matthews Asia Innovators Fund	3,016,480	—	3,016,480
Matthews China Fund	4,626,467	—	4,626,467
Matthews China Small Companies Fund	1,312,855	(200,612)	1,112,243
Matthews India Fund	4,408,096	—	4,408,096
Matthews Japan Fund	4,462,435	—	4,462,435
Matthews Asian Growth and Income Fund	3,540,355	—	3,540,355
Matthews Asia Dividend Fund	10,447,486	—	10,447,486
Matthews China Dividend Fund	1,298,160	—	1,298,160

Under a written agreement between the Funds and Matthews (the “Operating Expense Agreement”), Matthews agrees to waive fees and reimburse expenses to a Fund if its expense ratio exceeds a certain percentage level. For all Funds, except the Matthews Emerging Markets Equity Fund, the Matthews Emerging Markets Sustainable Future Fund and the Matthews Emerging Markets Small Companies Fund, this level is 1.20% for the Institutional Class. For the Matthews Emerging Markets Equity Fund, this level is 0.90% for the Institutional Class. For the Matthews Emerging Markets Sustainable Future Fund and the Matthews Emerging Markets Small Companies Fund, this level is 1.15% for the Institutional Class. Matthews agrees to reduce the expense ratio for the Investor Class by waiving an equal amount of non-class specific expenses (e.g., custody fees) as the Institutional Class. Because certain expenses of the Investor Class may be higher than those of the Institutional Class and because class specific expenses may be waived solely for the Institutional Class, total annual Fund expenses for the Investor Class may exceed 1.20% (or 0.90% for the Matthews Emerging Markets Equity Fund, or 1.15% for the Matthews Emerging Markets Sustainable Future Fund and Matthews Emerging Markets Small Companies Fund). In turn, if the expenses of a Fund, fall below the level noted within three years after Matthews has made such a reimbursement, the Fund may reimburse Matthews up to an amount of the recoupment available not to exceed the lesser of (i) the expense limitation applicable at the time of that fee waiver and/or expense reimbursement or (ii) the expense limitation in effect at the time of recoupment. This agreement will continue through April 30, 2025, may be extended for additional periods not exceeding one year, and may be terminated at any time by the Board of Trustees on behalf of the Fund on 60 days’ written notice to Matthews. Matthews may decline to renew this agreement by written notice to the Trust at least 30 days before its annual expiration date.

### Waived Fees Subject to Possible Future Recoupment:

On December 31, 2023, the amounts expired and subject to possible future recoupment under the expense limitation agreement are as follows:

	Expired December 31,		Expiring December 31,	
	2023	2024	2025	2026
Matthews Emerging Markets Equity Fund	\$231,409	\$248,206	\$263,291	\$143,956
Matthews Emerging Markets Small Companies Fund	378,868	638,812	647,978	960,093
Matthews China Small Companies Fund	362,019	309,590	388,736	200,612

The Funds have an Administration and Shareholder Services Agreement dated August 13, 2004, as amended (the “Shareholder Services Agreement” or “Services Agreement”), in which the Funds pay an annual administration and shareholder servicing fee to Matthews, as a percentage of the average daily net assets of each Fund in aggregate, computed and prorated on a daily basis. Under the Shareholder Services Agreement, the Funds in the aggregate pay Matthews 0.25% of their aggregate average daily net assets up to \$2 billion, 0.1834% of their aggregate average daily net assets over \$2 billion up to \$5 billion, 0.15% of their aggregate average daily net assets over \$5 billion up to \$7.5 billion, 0.125% of their aggregate average daily net assets over \$7.5 billion up to \$15 billion, 0.11% of their aggregate average daily net assets over \$15 billion up to \$22.5 billion, 0.10% of their aggregate average daily net assets over \$22.5 billion up to \$25 billion, 0.09% of their aggregate average daily net assets over \$25 billion up to \$30 billion, 0.08% of their aggregate average daily net assets over \$30 billion up to \$35 billion, 0.07% of their aggregate average daily net assets over \$35 billion up to \$40 billion, 0.06% of their aggregate average daily net assets over \$40 billion up to \$45 billion, and 0.05% of their aggregate average daily net assets over \$45 billion.

## Notes to Financial Statements *(continued)*

Administration and shareholder servicing fees charged, for the year ended December 31, 2023, were as follows:

	Gross Administration and Shareholder Servicing Fees	Administration and Shareholder Servicing Fees Waived in Excess of Expense Limitation	Net Administration and Shareholder Servicing Fees
Matthews Emerging Markets Equity Fund	\$42,566	\$—	\$42,566
Matthews Emerging Markets Sustainable Future Fund	402,204	—	402,204
Matthews Emerging Markets Small Companies Fund	893,272	—	893,272
Matthews Asia Growth Fund	938,233	—	938,233
Matthews Pacific Tiger Fund	5,980,014	(54,495)	5,925,519
Matthews Asia Innovators Fund	776,190	—	776,190
Matthews China Fund	1,190,414	—	1,190,414
Matthews China Small Companies Fund	230,701	—	230,701
Matthews India Fund	1,143,239	—	1,143,239
Matthews Japan Fund	1,153,909	—	1,153,909
Matthews Asian Growth and Income Fund	910,316	—	910,316
Matthews Asia Dividend Fund	2,688,362	—	2,688,362
Matthews China Dividend Fund	333,530	—	333,530

In addition to the fees paid to the Funds' transfer agent, the Funds bear the cost of fees paid to certain service providers or intermediaries, including supermarkets, which provide transfer agency, record-keeping and shareholder servicing to certain shareholders. These fees are referred to as intermediary service fees on the Statements of Assets and Liabilities as well as the Statements of Operations. Additional information concerning these services and fees is contained in the Funds' prospectuses.

BNY Mellon Investment Servicing (US) Inc. ("BNY Mellon"), an indirect wholly owned subsidiary of The Bank of New York Mellon Corporation, serves as the Funds' administrator, and in that capacity, performs various administrative and accounting services for each Fund. BNY Mellon also serves as the Funds' transfer agent, dividend disbursing agent and registrar. An officer of BNY Mellon serves as Assistant Treasurer to the Funds. Total fees accrued by the Funds for administration and accounting services for the year ended December 31, 2023 were as follows:

	Administration and Accounting fees
Matthews Emerging Markets Equity Fund	\$1,930
Matthews Emerging Markets Sustainable Future Fund	18,164
Matthews Emerging Markets Small Companies Fund	40,124
Matthews Asia Growth Fund	42,719
Matthews Pacific Tiger Fund	272,178
Matthews Asia Innovators Fund	35,294
Matthews China Fund	54,133
Matthews China Small Companies Fund	10,503
Matthews India Fund	51,478
Matthews Japan Fund	52,151
Matthews Asian Growth and Income Fund	41,432
Matthews Asia Dividend Fund	122,240
Matthews China Dividend Fund	15,195

As of December 31, 2023, Matthews and its affiliates held significant shares in the Funds as follows:

	Shares held by Matthews and its Affiliates	Percentage of Outstanding Shares
Matthews Emerging Markets Equity Fund	479,071	27%

Certain officers and Trustees of the Funds are also officers and directors of Matthews. All officers serve without compensation from the Funds. The Funds paid the Independent Trustees \$1,106,311 in aggregate for regular compensation during the year ended December 31, 2023.



## Notes to Financial Statements *(continued)*

### 5. INVESTMENTS

The value of investment transactions made for unaffiliated holdings for the year ended December 31, 2023 were as follows:

	Unaffiliated Purchases	Proceeds from Unaffiliated Sales
Matthews Emerging Markets Equity Fund	\$6,317,004	\$20,715,205
Matthews Emerging Markets Sustainable Future Fund	137,716,277	110,048,711
Matthews Emerging Markets Small Companies Fund	289,005,130	134,253,394
Matthews Asia Growth Fund	401,554,174	673,468,929
Matthews Pacific Tiger Fund	483,704,686	1,973,198,989
Matthews Asia Innovators Fund	1,067,409,242	1,211,594,046
Matthews China Fund	329,035,315	458,187,836
Matthews China Small Companies Fund	75,873,588	116,548,293
Matthews India Fund	368,163,165	327,288,317
Matthews Japan Fund	638,823,500	712,087,573
Matthews Asian Growth and Income Fund	60,224,769	338,934,795
Matthews Asia Dividend Fund	1,127,815,559	1,951,373,901
Matthews China Dividend Fund	50,085,572	105,805,664

### 6. INCOME TAX INFORMATION

It is the policy of the Funds to comply with all requirements of the Internal Revenue Code of 1986, as amended (“the Code”), applicable to regulated investment companies and to distribute substantially all of their taxable income to their shareholders. The Funds have met the requirements of the Code applicable to regulated investment companies for the year ended December 31, 2023. Therefore, no federal income tax provision is required.

Management has analyzed the Funds’ tax positions taken on federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for federal income tax is required in the Funds’ financial statements. The Funds’ federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

As of December 31, 2023, the components of accumulated earnings/deficit on tax basis were as follows:

	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Capital Loss Carryforwards
Matthews Emerging Markets Equity Fund	\$15,753	\$—	(\$5,511,740)
Matthews Emerging Markets Sustainable Future Fund	922,729	—	—
Matthews Emerging Markets Small Companies Fund	3,231,448	3,645,052	(81,857,957)
Matthews Asia Growth Fund	5,653,848	—	(191,108,276)
Matthews Pacific Tiger Fund	26,865,309	—	(136,707,674)
Matthews Asia Innovators Fund	—	—	(365,022,903)
Matthews China Fund	6,669,306	—	(249,092,745)
Matthews China Small Companies Fund	92,136	—	(141,217,659)
Matthews India Fund	266,756	25,731,850	—
Matthews Japan Fund	13,706,435	—	(182,262,551)
Matthews Asian Growth and Income Fund	7,565,556	—	(24,542,384)
Matthews Asia Dividend Fund	5,063,857	—	(325,014,516)
Matthews China Dividend Fund	2,371,419	—	(48,409,941)

	Late Year Losses*	Other Temporary Differences	Unrealized Appreciation (Depreciation)**	Total Accumulated Earnings/(Deficit)
Matthews Emerging Markets Equity Fund	(\$250,173)	\$—	(\$2,299,095)	(\$8,045,255)
Matthews Emerging Markets Sustainable Future Fund	(6,958,191)	—	(\$3,280,826)	(9,316,288)
Matthews Emerging Markets Small Companies Fund	—	—	33,795,595	(41,185,862)
Matthews Asia Growth Fund	(24,948,821)	—	40,328,582	(170,074,667)
Matthews Pacific Tiger Fund	(22,185,276)	—	140,432,149	8,404,508
Matthews Asia Innovators Fund	(39,910,603)	—	17,744,143	(387,189,363)
Matthews China Fund	(19,976,535)	—	(245,506,865)	(507,906,839)
Matthews China Small Companies Fund	—	—	(18,526,224)	(159,651,747)
Matthews India Fund	—	—	128,076,999	154,075,605
Matthews Japan Fund	—	—	79,541,106	(89,015,010)
Matthews Asian Growth and Income Fund	(6,675,723)	—	(11,501,192)	(35,153,743)
Matthews Asia Dividend Fund	—	—	(42,210,429)	(362,161,088)
Matthews China Dividend Fund	(5,763,461)	—	(34,849,114)	(86,651,097)

\* The Funds have elected to defer certain qualified late-year losses and recognize such losses in the next fiscal year.

\*\* The differences between book-basis and tax-basis unrealized appreciation/depreciation is attributable primarily to the tax deferral of losses on wash sales and passive foreign investment company (PFIC) mark to market adjustments.

## Notes to Financial Statements *(continued)*

As of December 31, 2023, the Funds have capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

	Amount With No Expiration		Total
	Short-term Losses	Long-term Losses	
Matthews Emerging Markets Equity Fund	\$3,760,174	\$1,751,566	\$5,511,740
Matthews Emerging Markets Small Companies Fund	—	81,857,957	81,857,957
Matthews Asia Growth Fund	147,700,945	43,407,331	191,108,276
Matthews Pacific Tiger Fund	36,136,924	100,570,750	136,707,674
Matthews Asia Innovators Fund	182,431,142	182,591,761	365,022,903
Matthews China Fund	113,008,257	136,084,488	249,092,745
Matthews China Small Companies Fund	53,830,257	87,387,402	141,217,659
Matthews Japan Fund	163,326,006	18,936,545	182,262,551
Matthews Asian Growth and Income Fund	12,592,875	11,949,509	24,542,384
Matthews Asia Dividend Fund	325,014,516	—	325,014,516
Matthews China Dividend Fund	25,846,673	22,563,268	48,409,941

The following Funds utilized capital loss carryforwards in the current year:

	Utilized Capital Loss Carryforwards
Matthews Emerging Markets Small Companies Fund	\$1,760,397
Matthews Asian Growth and Income Fund	26,016,180
Matthews Asia Dividend Fund	26,441,381

U.S. GAAP requires that certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or NAV. The permanent differences are primarily attributable to investments in PFICs, non-deductible expenses, foreign currency reclassification, NOL (net operating loss) adjustments, capital gains tax, distributions in excess of current earnings and profits, re-characterization of distributions, investment in swaps, adjustments on distributions related to taxable spinoffs and the utilization of accumulated earnings and profits distributed to shareholders on redemptions of shares as part of the dividends paid deduction for income tax purposes. For the year ended December 31, 2023, permanent differences in book and tax accounting have been reclassified to paid-in capital, undistributed net investment income (loss) and accumulated realized gain (loss) as follows:

	Increase/(Decrease) Capital Paid-in	Increase/(Decrease) Total Distributable Earnings/(Accumulated Loss)
Matthews Emerging Markets Sustainable Future Fund	\$1,998,728	\$(1,998,728)
Matthews Emerging Markets Small Companies Fund	3,389,690	(3,389,690)
Matthews Pacific Tiger Fund	—	—
Matthews India Fund	317,809	(317,809)

## Notes to Financial Statements *(continued)*

As of December 31, 2023, the tax cost of investments and the related net unrealized appreciation and depreciation were as follows:

	Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
Matthews Emerging Markets Equity Fund	\$22,845,785	\$2,698,503	(\$4,984,581)	(\$2,286,078)
Matthews Emerging Markets Sustainable Future Fund	214,628,926	35,098,720	(36,745,838)	(1,647,118)
Matthews Emerging Markets Small Companies Fund	576,132,838	130,263,217	(90,583,176)	39,680,041
Matthews Asia Growth Fund	328,359,002	55,038,611	(14,117,577)	40,921,034
Matthews Pacific Tiger Fund	1,800,986,791	458,862,369	(298,164,053)	160,698,316
Matthews Asia Innovators Fund	290,210,932	33,726,838	(14,570,937)	19,155,901
Matthews China Fund	704,103,987	38,907,609	(284,413,985)	(245,506,376)
Matthews China Small Companies Fund	107,919,123	6,152,222	(24,681,743)	(18,529,521)
Matthews India Fund	632,184,953	173,573,026	(17,567,644)	156,005,382
Matthews Japan Fund	558,804,238	88,696,587	(9,167,593)	79,528,994
Matthews Asian Growth and Income Fund	328,261,005	58,812,063	(69,846,758)	(11,034,695)
Matthews Asia Dividend Fund	1,114,622,242	99,108,450	(138,498,904)	(39,390,454)
Matthews China Dividend Fund	152,327,670	6,354,536	(41,202,177)	(34,847,641)

### 7. SUBSEQUENT EVENTS

Effective January 1, 2024, pursuant to an amendment to the Investment Advisory Agreement, the advisory fee for each of the Matthews Emerging Markets Small Companies Fund and the Matthews China Small Companies Fund was reduced from 1.00% of average daily net assets (as described in Note 4) to 0.85% of average daily net assets.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Matthews International Funds and Shareholders of Matthews Emerging Markets Equity Fund, Matthews Asian Growth and Income Fund, Matthews Asia Dividend Fund, Matthews China Dividend Fund, Matthews Asia Growth Fund, Matthews Pacific Tiger Fund, Matthews Emerging Markets Sustainable Future Fund, Matthews Asia Innovators Fund, Matthews China Fund, Matthews India Fund, Matthews Japan Fund, Matthews Emerging Markets Small Companies Fund, and Matthews China Small Companies Fund

## *Opinions on the Financial Statements*

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Matthews Emerging Markets Equity Fund, Matthews Asian Growth and Income Fund, Matthews Asia Dividend Fund, Matthews China Dividend Fund, Matthews Asia Growth Fund, Matthews Pacific Tiger Fund, Matthews Emerging Markets Sustainable Future Fund, Matthews Asia Innovators Fund, Matthews China Fund, Matthews India Fund, Matthews Japan Fund, Matthews Emerging Markets Small Companies Fund, and Matthews China Small Companies Fund (thirteen of the funds constituting Matthews International Funds, hereafter collectively referred to as the “Funds”) as of December 31, 2023, the related statements of operations for the year ended December 31, 2023, the statements of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2023, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended December 31, 2023 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

## *Basis for Opinions*

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2023 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP  
San Francisco, CA  
February 23, 2024

We have served as the auditor of one or more investment companies in Matthews International Funds since 2007.

# Tax Information *(unaudited)*

For shareholders who do not have a December 31, 2023 tax year-end, this notice is for informational purposes. For the period January 1, 2023 to December 31, 2023, the Funds report the following items with regard to distributions paid during the period. All reports are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of each Fund to report the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

## 1. Qualified Dividend Income

The Funds report a portion of the ordinary income distributed during the year ended December 31, 2023 as Qualified Dividend Income ("QDI") as defined in the Internal Revenue code as follows:

	QDI Portion
Matthews Emerging Markets Equity Fund	100.00%
Matthews Emerging Markets Sustainable Future Fund	13.60%
Matthews Emerging Markets Small Companies Fund	18.24%
Matthews Asia Growth Fund	100.00%
Matthews Pacific Tiger Fund	53.36%
Matthews Asia Innovators Fund	100.00%
Matthews China Fund	100.00%
Matthews China Small Companies Fund	100.00%
Matthews India Fund	38.45%
Matthews Japan Fund	0.00%
Matthews Asian Growth and Income Fund	50.59%
Matthews Asia Dividend Fund	100.00%
Matthews China Dividend Fund	81.92%

## 2. Dividends Received Deduction

The Funds report a Dividend Received Deduction pursuant to Section 854 of the Internal Revenue Code for the year ended December 31, 2023 as follows:

Matthews Emerging Markets Equity Fund	2.29%
Matthews Emerging Markets Sustainable Future Fund	1.05%
Matthews Emerging Markets Small Companies Fund	0.00%
Matthews Asia Growth Fund	0.00%
Matthews Pacific Tiger Fund	1.53%
Matthews Asia Innovators Fund	9.81%
Matthews China Fund	0.05%
Matthews China Small Companies Fund	0.00%
Matthews India Fund	0.11%
Matthews Japan Fund	0.00%
Matthews Asian Growth and Income Fund	2.58%
Matthews Asia Dividend Fund	0.87%
Matthews China Dividend Fund	0.64%

# Tax Information *(unaudited) (continued)*

## 3. Long-Term Capital Gain Distributions

The Funds report Long-Term Capital Gain distributions pursuant to Section 852(b)(3) of the Internal Revenue Code for the year ended December 31, 2023 as follows:

	Long-Term Capital Gains
Matthews Emerging Markets Equity Fund	\$—
Matthews Emerging Markets Sustainable Future Fund	8,301,673
Matthews Emerging Markets Small Companies Fund	39,323,118
Matthews Asia Growth Fund	—
Matthews Pacific Tiger Fund	—
Matthews Asia Innovators Fund	—
Matthews China Fund	—
Matthews China Small Companies Fund	—
Matthews India Fund	8,461,800
Matthews Japan Fund	—
Matthews Asian Growth and Income Fund	—
Matthews Asia Dividend Fund	—
Matthews China Dividend Fund	—

## 4. Foreign Taxes Paid

The Funds have elected to pass through to their shareholders the foreign taxes paid for year ended December 31, 2023 as follows:

	Foreign Source Income	Foreign Taxes Paid/(Credit)
Matthews Emerging Markets Equity Fund	\$688,182	\$47,266
Matthews Emerging Markets Sustainable Future Fund	2,700,661	322,124
Matthews Emerging Markets Small Companies Fund	7,549,687	904,610
Matthews Asia Growth Fund	9,656,312	827,522
Matthews Pacific Tiger Fund	68,504,088	6,809,112
Matthews Asia Innovators Fund	6,997,594	581,034
Matthews China Fund	14,956,785	966,763
Matthews China Small Companies Fund	2,019,426	61,609
Matthews India Fund	11,362,888	1,905,708
Matthews Japan Fund	—	—
Matthews Asian Growth and Income Fund	17,728,867	1,242,200
Matthews Asia Dividend Fund	45,585,598	3,651,506
Matthews China Dividend Fund	7,461,041	350,344

## 5. Qualified Interest Income

The Funds report a portion of the net income dividends distributed during the year ended December 31, 2023, as Qualified Interest Income (QII), as defined in the Internal Revenue Code as follows:

	QII Portion
Matthews Emerging Markets Equity Fund	1.07%
Matthews Emerging Markets Sustainable Future Fund	0.56%
Matthews Emerging Markets Small Companies Fund	1.11%
Matthews Asia Growth Fund	0.44%
Matthews Pacific Tiger Fund	1.01%
Matthews Asia Innovators Fund	3.85%
Matthews China Fund	0.30%
Matthews China Small Companies Fund	0.21%
Matthews India Fund	4.18%
Matthews Japan Fund	0.00%
Matthews Asian Growth and Income Fund	1.56%
Matthews Asia Dividend Fund	1.77%
Matthews China Dividend Fund	1.63%

# Tax Information *(unaudited) (continued)*

## 6. Qualified Short-Term Capital Gain Dividends

The Funds designate a portion of the short term capital gain dividends distributed during the year ended December 31, 2023, as Qualified Short Term Gain, as defined in the Internal Revenue Code as follows:

	Short-Term Gains
Matthews Emerging Markets Equity Fund	0.00%
Matthews Emerging Markets Sustainable Future Fund	100.00%
Matthews Emerging Markets Small Companies Fund	0.00%
Matthews Asia Growth Fund	0.00%
Matthews Pacific Tiger Fund	0.00%
Matthews Asia Innovators Fund	0.00%
Matthews China Fund	0.00%
Matthews China Small Companies Fund	0.00%
Matthews India Fund	0.00%
Matthews Japan Fund	0.00%
Matthews Asian Growth and Income Fund	0.00%
Matthews Asia Dividend Fund	0.00%
Matthews China Dividend Fund	0.00%

# Approval of Advisory Agreement *(unaudited)*

The Funds, which are series of the Trust, have retained Matthews International Capital Management, LLC (“Matthews”) to manage their assets pursuant to an Investment Advisory Agreement dated as of February 1, 2016, as amended (the “Advisory Agreement”), which has been approved by the Board of Trustees of the Trust, including all of the Trustees who are not “interested persons” (“Independent Trustees”), within the meaning of the Investment Company Act of 1940, as amended (the “1940 Act”), as well as by the shareholders of each Fund in accordance with the requirements of the 1940 Act. Following an initial two-year term with respect to each Fund, the Advisory Agreement continues in effect from year-to-year provided that the continuance is specifically approved at least annually by the vote of the holders of at least a majority of the outstanding shares of the Funds, or by the Board of Trustees, and, in either event, by a majority of the Independent Trustees of the Trust casting votes in person at a meeting called for that purpose (the “Annual 15(c) Process”).

At a meeting held on August 23-24, 2023 (the “Meeting”), the Board, including all of the Independent Trustees, approved the continuation of the Advisory Agreement for an additional one-year term beginning February 1, 2024 with respect to each Fund.

At the Meeting and at a prior meeting of the Independent Trustees on August 18, 2023, the Board received and considered information (both written and oral) provided to assist it in the review of the Advisory Agreement and made assessments with respect to each Fund individually. The Independent Trustees were advised by independent legal counsel with respect to these matters. Prior to the August 18, 2023 meeting, a working group of Independent Trustees and independent legal counsel had met with representatives of Matthews on August 2, 2023 to review relevant information in connection with the Annual 15(c) Process. After the August 2, 2023 and August 18, 2023 meetings, the Independent Trustees asked Matthews to provide certain additional information and to respond to certain additional questions at the Meeting. The Independent Trustees then reviewed this supplemental information, which was provided prior to and at the Meeting. The Independent Trustees discussed the renewal of the Advisory Agreement with representatives of Matthews and among themselves in private sessions on various occasions at which no representatives of Matthews were present.

In addition, the Board received presentations about the Funds throughout the year from management. Among the information considered by the Board were responses to a detailed information request sent on behalf of the Independent Trustees by their independent legal counsel. Matthews furnished extensive information in response to this request with respect to many subjects relating to the Advisory Agreement and other related agreements and addressed many of the factors discussed below, including, but not limited to, information about the services provided by Matthews, its structure, organization, operations and personnel, the

financial condition of Matthews and the profitability to Matthews from the Advisory Agreement, compliance procedures and resources, investment performance of the Funds, expenses of the Funds, brokerage and portfolio transactions, distribution and marketing of the Funds, shareholder services and relationships with intermediaries, and other information considered relevant.

In considering information relating to management fee levels, which the Board considers to be the advisory and administrative fees both separately and on a combined basis, the Board considered, among other things, information provided by Matthews as to Fund management services and fees as compared to advisory services and fees charged by Matthews to its institutional clients and pooled vehicles organized outside of the United States. The Trustees also considered information provided by an independent data provider, Broadridge, comparing the investment performance and the fee and expense levels of each Fund to appropriate peer groups of mutual funds, as well as performance data provided by Matthews with respect to unmanaged benchmarks and pooled vehicles or other accounts managed by Matthews with similar investment objectives and/or strategies to the Funds, as applicable.

The Independent Trustees also considered that they had engaged an independent data provider, Broadridge, to assist them in their Annual 15(c) Process. The Independent Trustees considered the work and analysis performed by the independent data provider in selecting appropriate peer groups for the Funds. Furthermore, throughout the course of the year, the Board received a wide variety of materials relating to the services provided by Matthews, including reports on each Fund’s investment results, portfolio composition, portfolio trading practices, shareholder services, and other information relating to the nature, extent, and quality of services provided by Matthews to the Funds. The Board also considered that, under the Administration and Shareholder Services Agreement, Matthews provides additional services to the Funds that are essential to the operation of the Funds and that, although Matthews is separately compensated under that agreement, these additional services are provided in connection with Matthews’ advisory relationship with the Funds.

In addition to the information furnished by Matthews, the Trustees were provided with a legal memorandum from their independent legal counsel discussing their fiduciary duties related to their approval of the continuation of the Advisory Agreement and discussed these matters with their counsel. The Board’s consideration of all this information, both at the Meeting and throughout the year, is part of a systematic process that it has used, and continues to use with regard to the Annual 15(c) Process.

The Trustees’ determinations at the Meeting were made on the basis of each Trustee’s business judgment after consideration of all the information presented. In deciding to recommend the renewal of the Advisory Agreement with respect to each Fund, the Independent Trustees did not



## Approval of Advisory Agreement *(unaudited) (continued)*

identify any single factor or particular piece of information that, in isolation, was controlling. Each Independent Trustee may also have weighed factors differently. This summary describes the most important, but not all, of the factors considered by the Board and the Independent Trustees.

### 1. The nature, extent and quality of the services provided by Matthews under the Advisory Agreement.

The Trustees considered the overall financial strength and long-term stability of Matthews and its ability to continue to provide a high level and high quality of services to the Funds. The Trustees considered that despite recent challenging conditions with respect to revenues and profitability of the organization, which have been caused by contracting revenues and assets under management, a difficult geopolitical environment and market volatility, Matthews has continued to provide high quality services to the Funds. They noted that past periods of volatile and challenging securities markets had not resulted in a diminution of services and that Matthews has always demonstrated a commitment to employ the resources necessary to maintain the high level of quality and services to the Funds. The Trustees positively viewed Matthews' emphasis on preserving and enhancing portfolio management team resources, and careful business planning and management.

The Trustees considered the experience and qualifications of the executive and portfolio management personnel at Matthews who are responsible for providing services to the Funds and who are responsible for the daily management of the Funds' portfolios. The Trustees noted that Matthews had experienced some turnover at the senior executive and professional staff levels in recent years. In this regard, the Trustees reviewed with Matthews the efforts undertaken to replace staff where appropriate and to otherwise minimize its impact on the Funds, including enhancements to the portfolio management teams of certain Funds. They also reviewed Matthews' retention strategies and recent personnel developments relevant to certain of the Funds. They discussed efforts by Matthews to provide appropriate support to the Funds, including, but not limited to, appropriate back-up support for each Fund such as, but not limited to, enhancing the structure of the portfolio management teams to better recognize Matthews' bench of talent, and ensuring succession plans are put in place. Among the improved capabilities noted by the Independent Trustees over the past several years are enhanced risk analytical resources and related professionals, including the ongoing enhancements to compliance, risk management, technology, business infrastructure, operations, marketing and client service, as well as enhancements to financial intermediary oversight and valuation practices.

As in past years, the Trustees considered the technical capabilities of Matthews, including the design and implementation of its disaster recovery and business continuity infrastructure. The Trustees also considered the Chief Compliance Officer's report regarding Matthews' compliance resources, risk assessment and other compliance initiatives and programs. The Trustees concluded that Matthews has

implemented a robust and diligent compliance process, and demonstrates a strong commitment to a culture of compliance. The Independent Trustees took into consideration Matthews' description of its supervision of the activities of the Funds' various service providers, as well as supporting the Independent Trustees' responsibilities and requests and its responsiveness to questions and/or concerns raised by the Trustees throughout the year.

The Trustees noted the significant role played by Matthews, as valuation designee, with respect to the valuation of portfolio securities, including research and analysis related to fair valued securities and due diligence and oversight of pricing vendors.

The Trustees concluded that Matthews had the quality of personnel and other investment resources essential to performing its duties under the Advisory Agreement, and that the nature, overall quality, cost and extent of such management services are satisfactory.

### 2. The investment performance of the Funds.

The Trustees reviewed the short-term and long-term performance of each Fund on both an absolute basis and in comparison to appropriate peer funds, benchmark indices and to the extent they exist, Matthews' similarly managed accounts, all for various periods ending June 30, 2023. The Trustees considered investment results in light of each Fund's objective, strategies and market conditions, noting periods during which there were challenging investment conditions in various Asian and emerging markets. The Independent Trustees reviewed information as to peer group selections presented by Broadridge. In doing so, the Trustees recognized and took into account that the specialized nature of the Funds made it sometimes difficult to fairly benchmark performance against peers and also took into account that certain funds had a very limited universe of peers. The Board also considered that many of the Funds had investment objectives, goals and strategies that were very different from non-managed broad-based benchmarks, which rendered performance comparisons against such broad-based benchmarks of lesser utility. In this regard, the Board took into account that the Funds are not designed to perform like broad-based indices and therefore that most investors in the Funds likely are not seeking to achieve benchmark-like returns.

The Trustees reviewed each Fund's performance on a case-by-case basis and noted that some Funds had outperformed their Performance Universe over certain periods and/or exceeded the return of their respective benchmark while others underperformed their Performance Universe over certain periods and/or trailed the return of their respective benchmark. In considering each Fund's investment results, the Board placed greater emphasis on each Fund's long-term performance track record rather than shorter-term performance. The Board also took into account that each Fund's track record was measured as of a specific ending date, and that track records can vary as of different measurement dates. Therefore, in reviewing a Fund that is currently underperforming, the Trustees also considered the broader per-

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spective of the Fund's performance over varying time periods, the market conditions experienced during the periods under review, as well as the outlook for the Fund going forward in light of expected future market conditions.

The Trustees discussed with Matthews the fact that certain periods of underperformance may be transitory while other periods of underperformance may be caused by factors that warrant further consideration. To the extent of any concerns about performance with respect to any particular period for a Fund, the Trustees noted that Matthews had provided an explanation for that performance, explained its reasons for maintaining a consistent investment philosophy and discussed action taken to improve performance. For example, the Trustees recognized actions taken by Matthews from time to time in response to performance concerns, such as changes to members of a portfolio management team or changes in the investment process and strategies of certain Funds. A summary of each Fund's performance track record is provided below.

For Matthews Pacific Tiger Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for the ten-year and since-inception periods, but that the Fund's performance ranked in the fifth quintile for the one-year period, the second quintile for the three-year period and the fifth quintile for the five-year period. The Trustees also noted that the Fund underperformed the median of its peer group for the one-year, five-year, ten-year and since-inception periods and outperformed that median for the three-year period. The Trustees took into account, however, that because the peer universe for the Fund was small over the longer time periods, with only a few comparable funds, relative peer performance was of less use for those periods than if the peer universe were larger. The Board considered Matthews' discussion regarding the factors contributing to the periods of underperformance and took into account changes implemented in the portfolio by Matthews to address that underperformance.

For Matthews Asian Growth and Income Fund, the Trustees noted that the Fund has experienced improved performance due, in part, to changes implemented in the portfolio. The Trustees also noted that there were not enough funds in the peer universe to assign quintile performance for the ten-year and since-inception periods, but that the Fund ranked in the first quintile for the one-year and three-year periods and the third quintile for the five-year period. The Trustees also noted that the Fund outperformed the median of its peer group for the one-, three- and five-year periods and underperformed that median for the ten-year and since-inception periods. The Trustees took into account, however, that because the peer universe for the Fund was small over the longer time periods, with only a few comparable funds, relative peer performance was of less use for those periods than if the peer universe were larger.

For Matthews China Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for the since-inception period, but that perform-

ance had ranked in the fourth quintile for the one-year period, third quintile for the three-year and ten-year periods and second quintile for the five-year period. The Trustees also noted that the Fund outperformed the median of its peer funds for the five-year period but underperformed that median for each of the other periods reviewed. The Trustees took into account, however, that because the peer universe for the Fund was small over the since-inception period, with only two comparable funds, relative peer performance was of less use for that period than if the peer universe were larger.

For Matthews Japan Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for the ten-year and since-inception periods, but that the Fund's performance had ranked in the third quintile for the one-year, three-year and five-year periods. The Trustees also noted that the Fund performed at or near the median of its peer funds over the one-year, three-year, and five-year periods and outperformed that median over the ten-year and since inception periods. The Trustees took into account, however, that because the peer universe for the Fund was small over the ten-year and since-inception periods, with only a few comparable funds, relative peer performance was of less use for those periods than if the peer universe were larger.

For Matthews Asia Innovators Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for the ten-year and since-inception periods, but that the Fund's performance ranked in the fifth quintile for the one-year period, the fourth quintile for the three-year period and the second quintile for the five-year period. The Trustees also noted that the Fund underperformed the median of its peer funds over the one-year and three-year periods and outperformed that median over the five-year, ten-year and since-inception periods. The Trustees took into account, however, that because the peer universe for the Fund was small over the ten-year and since-inception periods, with only a few comparable funds, relative peer performance was of less use for those periods than if the peer universe were larger. The Trustees took into consideration Matthews' discussions regarding the factors that had contributed to the Fund's shorter-term underperformance and efforts undertaken to improve performance.

For Matthews Asia Growth Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for any period. The Trustees further noted that the Fund underperformed the median of its peer group for the one-year, three-year, five-year, ten-year and since-inception periods. The Trustees took into account, however, that because the peer universe for the Fund was small, with only two comparable funds, relative peer performance was of less use for those periods than if the peer universe were larger. The Trustees further took into account the narrower dispersion of underperformance against the medians. The Trustees also took into consideration Matthews' discussions regarding the factors that had contributed to the Fund's underperformance as well as efforts undertaken to improve performance.

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For Matthews India Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for the ten-year and since-inception periods, but that the Fund ranked in the first quintile for the one-year and three-year periods and fifth quintile for the five-year period. The Trustees further noted that the Fund outperformed the median of its peer group for the one-year, three-year, ten-year and since-inception periods and underperformed that median for the five-year period. The Trustees took into account, however, that because the peer universe for the Fund was small over the ten-year and since-inception periods, with only a few comparable funds, relative peer performance was of less use for those periods than if the peer universe were larger. The Trustees also took into consideration the Fund's improved performance over the shorter-term periods.

For Matthews Asia Dividend Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for any period. The Trustees further noted that the Fund underperformed the median of its peer group for the one-year, three-year and five-year periods, outperformed the median for the ten-year period and performed at the median for the since-inception period. The Trustees took into account, however, that the peer universe for the Fund was small, with only a few comparable funds, and that therefore relative peer performance was of less use than if the peer universe were larger.

For Matthews Emerging Markets Small Companies Fund, the Trustees noted that the Fund ranked in the second quintile of its peer group for the one-year period and the first quintile for the three-year, five-year, ten-year and since-inception periods. The Trustees further noted that the Fund had outperformed the median of its peer group for each of those periods..

For Matthews China Dividend Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for the ten-year and since-inception periods, but that the Fund ranked in the first quintile of its peer group over the one-year, three-year and five-year periods. The Trustees also noted that the Fund had outperformed its peer group median for the one-year, three-year, five-year and ten-year periods and underperformed that median for the since-inception period. The Trustees took into account, however, that the peer universe for the Fund was small over the ten-year and since-inception periods, with only a few comparable funds, and that therefore relative peer performance was of less use than if the peer universe were larger.

For Matthews China Small Companies Fund, the Trustees noted that there were not enough funds in the peer universe to assign quintile performance for any time period; however, the Trustees noted that the Fund's performance was at the median of its peer group for the one-year, five-year and since-inception periods, below that median for the three-year period and above the median for the ten-year period. The Trustees took into account, however, the very small size of the peer group, with only one or two comparable funds depending on the period, and that therefore relative peer performance was less useful than if the peer universe were larger.

For Matthews Emerging Markets Sustainable Future Fund, the Trustees noted that the Fund ranked in the third quintile for the one-year period and the first quintile for the three-year, five-year and since-inception periods. The Trustees further noted that the Fund had outperformed its peer group median for each of those periods. The Trustees noted that not all of the peer group funds had a similar ESG strategy as the Fund. The Trustees also considered that the Fund's name and principal investment strategy had changed effective July 29, 2022.

For Matthews Emerging Markets Equity Fund, the Trustees noted that the Fund's performance ranked in the first quintile for the one-year and since-inception periods and the second quintile for the three-year period. The Trustees also noted that the Fund had outperformed the peer group median for each of those periods.

After review, the Trustees concluded that each Fund's overall performance was satisfactory or was being addressed as needed. The Trustees also reviewed Matthews' trading policies and efforts to obtain best overall execution for the Funds in the various markets in which the Funds trade securities. The Trustees noted the relatively low turnover rates in many of the equity Funds and Matthews' consistent adherence to its long-standing investment approach, which emphasizes fundamental bottom-up driven investment selection in light of its view of regional economic conditions.

3. The extent to which Matthews realizes economies of scale as the Funds grow larger and whether Fund investors benefit from any economies of scale.

The Trustees first noted the substantial work done over the years between the Board and Matthews to establish fee structures for both the Advisory Agreement and other agreements that recognize the sharing of economies of scale that can arise as assets in the Funds grow through the use of breakpoints. In particular, they noted that the management fee structure contains breakpoints for the group-priced Funds as well as for certain individually priced Funds. That structure enhances the ability of the Funds and their shareholders to benefit from past and potential future economies of scale. They discussed the structure and level of these breakpoints and concluded that they continue to be appropriate given the sizes of the Funds. The Trustees further noted that as the Funds' assets have decreased in recent periods, there were no additional economies to share at present, however, should the Funds grow additional economies of scale will continue to be shared with shareholders of the Funds through fee waivers and/or expense reimbursements pursuant to the Operating Expenses Agreement, fee waivers pursuant to the Fee Waiver Agreement, and the breakpoints in the fees payable under the Services Agreement. As another example of economies of scale, the Trustees noted that Matthews was successful in negotiating lower fees with the Funds' custodian, first in 2014 and again in 2020, resulting in additional savings to the Funds.

The Trustees next discussed Matthews' ongoing investment in its technology, systems, staffing and other aspects of its business that can benefit the Funds, noting that all these

## Approval of Advisory Agreement *(unaudited) (continued)*

endeavors are a means by which Matthews is sharing economies of scale with the Funds and their shareholders through reinvestment in products and services that are designed to benefit the Funds and their shareholders. The Trustees considered the new personnel hired over recent years, as well as planned hiring, and the extent to which that hiring could be expected to benefit shareholders. The Trustees also recognize that the Funds' total assets have fluctuated, especially in certain strategies. Those fluctuations affect any economies of scale that could be enjoyed. As a result, the Trustees remain satisfied about the extent to which economies of scale have been and will continue to be shared with the Funds and their shareholders.

### 4. The costs of the services provided by Matthews and others.

The Trustees considered the management fees and total fees and expenses of each Fund in comparison to the management and advisory fees and other fees and expenses of other funds in each Fund's relevant peer group. The Trustees reviewed information developed by Broadridge as to appropriate peer groups for each Fund for these purposes. The Board placed greater emphasis on management fees, which include both advisory and administrative fees, as the basis of comparison rather than advisory fees alone.

The Trustees considered both the gross management fee rates charged by Matthews, as well as the effective management fee rates after taking into consideration the fees waived and expenses reimbursed pursuant to the Operating Expenses Agreement and the Fee Waiver Agreement. The Trustees considered that the contractual advisory rates (excluding administrative services) for the Funds were generally very competitive and often lower than those of the relevant peer group averages. The Trustees also considered that the total expense ratios paid by shareholders of the Funds, which are most representative of a shareholder's net investment results, were also competitive. The Trustees noted that Matthews' continued efforts in recent years had resulted in, for many of the Funds, reduced expenses over time. The Trustees also noted that, as an example of those efforts, in 2019 the Advisor had agreed to lower the level of the expense cap for the Institutional Class of each Fund by 5 basis points to 1.20%, thereby effectively lowering the expenses for the Investor Class of those Funds by the same amount. The Trustees also noted that all Funds, except for the Emerging Markets Equity Fund, Emerging Markets Small Companies Fund and China Small Companies Fund, are running below their existing caps, but that they have downside protection in the event that their assets decrease. The Trustees further noted that the Advisor had further lowered the expense cap for the Institutional Class of the Matthews Emerging Markets Small Companies Fund by an additional 5 basis points to 1.15% effective April 30, 2021 and had lowered the expense cap for the Institutional Class of the Matthews Emerging Markets Sustainable Future Fund to 1.15% effective July 29, 2022.

The Trustees also compared Matthews' advisory fees with those of Matthews' separate accounts and other investment products, noting that the Funds' advisory expenses were not

disadvantageous (not being substantially higher than the separate accounts' rates). The Trustees agreed that advisory fees for the Funds appeared to be appropriate in comparison and taking into account the differences in services between these products and the Funds, including the differences in the frequency of net asset value calculations and other operational and compliance activities.

The Trustees' overall assessment with respect to each Fund was that, taking into account the considerations noted below, the contractual advisory fee rates, the total expense ratio, and the effective or net advisory fee rates were fair and reasonable.

For the Matthews Pacific Tiger Fund, the actual management fee was above the peer group median and the contractual management fee was at the peer group median. The actual total expenses (excluding 12b-1 fees) were at the peer group median.

For the Matthews Asian Growth and Income Fund and the Matthews Asia Growth Fund, the actual management fee was above the peer group median and the contractual management fee was below the peer group median. The actual total expenses (excluding 12b-1 fees) were above the peer group median.

For the Matthews China Fund, Matthews China Dividend Fund and Matthews Emerging Markets Equity Fund, the actual management fee was above the peer group median and the contractual management fee was below the peer group median. The actual total expenses (excluding 12b-1 fees) were below the peer group median.

For the Matthews India Fund, the actual management fee was below the peer group median and the contractual management fee was below the peer group median. The actual total expenses (excluding 12b-1 fees) were below the peer group median.

For the Matthews Asia Innovators Fund, the actual management fee was above the peer group median and the contractual management fee was below the peer group median. The actual total expenses (excluding 12b-1 fees) were at the peer group median.

For the Matthews Emerging Markets Sustainable Future Fund, the actual management fee was above the peer group median and the contractual management fee was below the peer group median. The actual total expenses (excluding 12b-1 fees) were slightly above the peer group median.

For the Matthews Japan Fund, the actual management fee was above the peer group median and the contractual management fee was above the peer group median. The actual total expenses (excluding 12b-1 fees) were above the peer group median. The Trustees noted the very small size of the peer group, with only a few comparable funds, and that therefore relative fees and expenses were less useful than if the peer universe were larger.

For the Matthews Asia Dividend Fund, the actual management fee was above the peer group median and the contractual management fee was above the peer group median. The actual total expenses (excluding 12b-1 fees) were above the peer group median.

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For the Matthews Emerging Markets Small Companies Fund and Matthews China Small Companies Fund, the actual management fee was above the peer group median and the contractual management fee was above the peer group median. The actual total expenses (excluding 12b-1 fees) were above the peer group median. The Trustees considered that these Funds each had breakpoints in its management fee schedule and noted that in 2019 the Advisor had recommended, and the Trustees agreed, to remove redemption fees from the Matthews Emerging Markets Small Companies Fund and Matthews China Small Companies Fund in order to promote asset growth and realize economies of scale.

### 5. The profits to be realized by Matthews and its affiliates from the relationships with the Funds.

The Trustees reviewed information provided by Matthews regarding the costs of sponsoring and operating the Funds and information regarding the profitability to Matthews of the Advisory Agreement both on a fund-by-fund basis and overall for the family of Funds. In considering profitability, the Trustees discussed and considered the methodology employed by Matthews in calculating profit margins but also considered other elements relevant to discussions of profitability, such as the entrepreneurial risk undertaken by Matthews in sponsoring and maintaining the Funds and risks associated with commitments to maintain Fund expense ratios. The Trustees also reviewed information provided regarding the structure and manner in which Matthews' investment professionals were compensated and their respective views of the relationship of such compensation to the attraction and retention of quality personnel. The Trustees considered Matthews' willingness to invest in technology, infrastructure and professional staff to reinforce and offer services and to accommodate changing regulatory requirements and industry practices.

The Trustees noted that Matthews has experienced reduced profitability this past year as assets under management have fallen but still appeared to be sufficiently profitable to operate as a viable investment management firm, able to honor its obligations as a sponsor of the Funds, including the Funds that did not generate a profit for Matthews, without earning excessive profits from any particular Fund or from the overall relationship with the Funds. The Trustees noted that, with fluctuations in asset levels in recent years, heightened volatility in revenues and profitability could be expected from

time to time in the future, but they also noted the increased cost control measures by Matthews with certain continued expenditures on personnel and other resources where appropriate. The Board also considered information relating to the profitability of a limited number of publicly traded investment advisers, although the Board noted that this information was of limited utility because it was comprised of a limited universe of advisers, did not provide any information as to how profitability was determined and did not limit profitability analysis to the performance of advisory services to registered investment companies. The Board further noted that these advisers differed significantly from Matthews because they were not solely dedicated to investment in the Asian and emerging markets.

Based on information received, the Trustees noted that Matthews' overall profitability from the Advisory Agreement appeared not to be excessive at the current time, whether considered inclusive or exclusive of distribution costs.

### 6. Ancillary benefits.

The Trustees requested and received from Matthews information concerning other benefits received by Matthews as a result of its respective relationship with the Funds, including various service arrangements with Matthews. These potential benefits included, among other things, the use of soft dollars as well as potential benefits resulting from the structure of compensation arrangements between the Trust, the Adviser and financial intermediaries in the areas of shareholder servicing and sub-transfer agency services. The Board concluded that such benefits were consistent with those generally derived by investment advisers to mutual funds or were otherwise not unusual.

### 7. Conclusions.

Based on their review, including their consideration of each of the factors referred to above, and assisted by the advice of independent counsel to the Independent Trustees, the Board, including the Independent Trustees, concluded that the Advisory Agreement was fair and reasonable with respect to each Fund and its shareholders, and that the renewal of the Advisory Agreement would be in the best interests of each Fund and its shareholders. The Board did not indicate that any single factor was determinative of its decision to approve the Advisory Agreement, but indicated that the Board based its determination on the total mix of information available to it.

# Statement Regarding Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”) to promote effective liquidity risk management throughout the open-end investment company industry. Each Fund has adopted and implemented a liquidity risk management program (the “Program”) in accordance with the Liquidity Rule. The Program seeks to assess and manage each Fund’s liquidity risk (i.e., the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors’ interests in the Fund). The Program relies on a third-party vendor to assist with the liquidity classifications of the Funds’ portfolio holdings.

The Board of Trustees (the “Board”) of the Matthews International Funds, (the “Funds”) met on November 15, 2023 (the “Meeting”) to review the Program, in accordance with the requirements of the Liquidity Rule. The Board has appointed the Liquidity Risk Management Committee (“LRMC”), a sub-committee of the Enterprise Risk Management Committee of Matthews International Capital Management, LLC, as Program Administrator.

At the Meeting, the LRMC provided the Board with a report that addressed the operation of the Program and assessed its adequacy and effectiveness of implementation, including, if applicable, the operation of the Highly Liquid Investment Minimum (“HLIM”), and any material changes to the Program (the “Report”). The Report covered the period from October 1, 2022 through October 31, 2023 (the “Program Reporting Period”).

The Report included a portfolio liquidity profile of each Fund as of October 31, 2023. The Report also discussed, among other things, the factors and assumptions considered in establishing a Fund’s HLIM and Reasonably Anticipated Trading Size; the results of stress tests designed to assess liquidity under hypothetical stressed scenarios; and the impact of local holidays in non-US jurisdictions.

The Report concluded that based on the operation of the functions, as described in the Report, the Program is reasonably designed to assess and manage liquidity risk and was adequately and effectively implemented during the Program Reporting Period.

# Trustees and Officers of the Funds *(unaudited)*

The operations of each Fund are under the direction of the Board of Trustees. The Board of Trustees establishes each Fund's policies and oversees and reviews the management of each Fund. The Board meets regularly to review the activities of the officers, who are responsible for the day-to-day operations of the Funds. The Statement of Additional Information, which includes additional information about Fund Trustees, is available without charge by calling 800.789.2742 or by visiting the Funds' website, matthewsasia.com. The Trustees and executive officers of the Funds, their year of birth, business address, principal occupations during the past five years and other trusteeships/directorships are set forth below:

Name, Year of Birth, Address and Position(s) Held with Trust	Term of Office and Length of Time Served <sup>1</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/Directorships (number of portfolios) Held by Trustee
<b>INDEPENDENT TRUSTEES</b>				
<b>GALE K. CARUSO</b> Born 1957 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Chair of the Board of Trustees and Trustee	Trustee since 2015, Vice Chair (2021), and Chair of the Board since 2022	Formerly President and Chief Executive Officer (1999–2003), Zurich Kemper Life (life insurance and annuities); Chairman, President and Chief Executive Officer (1994–1999), Scudder Canada Investor Services, Ltd. (investment management); Managing Director (1986–1999), Scudder Kemper Investments, Inc. (investment management).	23	Trustee (since 2006), Pacific Select Funds (47 Portfolios); Member, Board of Governors (since 2022), Investment Company Institute; Member, Governing Council (since 2016), Independent Directors Council; Director (2005–2012), Make-A-Wish of Maine.
<b>NEAL ANDREWS*</b> Born 1966 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Trustee	Since 2024	Managing Director, BlackRock Inc. (2006–2020), Chief Financial Officer BlackRock Funds (2007–2020) and BlackRock iShares (2019); Senior Vice President and Line of Business Head, Accounting and Administration, PFPC Inc. (1992–2006); Senior Auditor, Price Waterhouse LLP (1987–1992).	23	Segall Bryant & Hamill Funds Trust (2023), (16 Portfolios)
<b>CHRISTOPHER LEE</b> Born 1967 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Trustee	Since 2015	Consultant and Associate Professor (since 2017), Hong Kong University of Science and Technology; Lecturer (part-time) (2013–2019), The Chinese University of Hong Kong; Private Investor and Partner (since 2012), FAA Investments (financial holding company); Managing Director, Asia Region, and Head of Global Markets Investment Products & db-X (2010–2012), Deutsche Bank AG (financial services); Managing Director, Equity Risk Management Products, and Head of Intermediary Business (2002–2010), UBS AG (financial services); Vice President, Global Markets & Investment Bank (2000–2002), Vice President, International Private Clients Group (1997–2000), Associate, Debt and Equity Markets Group (1995–1997), Merrill Lynch & Co., Inc. (brokerage and investment management).	23	Director (since 2017), Hong Kong Securities and Investment Institute; Director (2013–2018), Asian Master Funds (Australia) (1 Portfolio); Trustee (2013–2022), African Wildlife Foundation; Trustee (2010–2016), Oakland Museum of California.
<b>RICHARD K. LYONS</b> Born 1961 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Trustee	Since 2010	Chief Innovation and Entrepreneurship Officer (since 2020), UC Berkeley; Dean (2008–2018), Haas School of Business, UC Berkeley; Chief Learning Officer (2006–2008), Goldman Sachs (investment banking and investment management).	23	Trustee (since 2018), Syntax ETF Trust; Trustee (2001–2006), Barclays Global Investor Funds and Master Investment Portfolios (15 Portfolios); Trustee (2000–2006), iShares, Inc. (24 Portfolios) and iShares Trust (over 70 Portfolios); Trustee (1994–2006) and Chairman of the Board (2000–2006), Matthews Asia Funds (9 Portfolios).

<sup>1</sup> Each Trustee serves for an indefinite term until his/her successor is elected and qualified or until his/her retirement, death, resignation or removal in accordance with the Trust's policies. Officers serve at the pleasure of the Board of Trustees.

\* Effective January 1, 2024.

Name, Year of Birth, Address and Position(s) Held with Trust	Term of Office and Length of Time Served <sup>1</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/Directorships (number of portfolios) Held by Trustee
<b>INDEPENDENT TRUSTEES</b>				
<b>RHODA ROSSMAN</b> Born 1958 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Trustee	Since 2006	Council Member (since 2019), California Catastrophe Response Council; Vice President, Corporate Investment Officer (2007–2010), Senior Vice President and Treasurer (2003–2007), The PMI Group, Inc. (mortgage insurer).	23	
<b>JONATHAN F. ZESCHIN</b> Born 1953 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Trustee	Trustee since 2007 and Chair of the Board (2014–2021)	Partner (since 2009), Essential Investment Partners, LLC (investment advisory and wealth management).	23	Trustee (2019), Russell Investment Funds (9 portfolios) and Russell Investment Company (32 portfolios).
<b>INTERESTED TRUSTEES<sup>2</sup></b>				
<b>JAMES COOPER ABBOTT</b> Born 1969 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Trustee and President	Trustee and President since 2022	Director and Chief Executive Officer (since 2022), Matthews (investment management); Chairman and Chief Executive Officer/President (2009–2022), Carillon Tower Advisers, Inc. and Affiliates (asset management); Chief Executive Officer/President (2009–2022), Eagle Asset Management, Inc. (asset management); President (2003–021), Carillon Family of Funds (mutual fund company); President (2008–2019) Eagle Boston Investment Management, Inc. (asset management); Managing Member (2010–2022) Alternative Strategy Partnerships (asset management).	23	Director (since 2023), Matthews Asia Funds SICAV (15 Portfolios); Trustee (2017–2021), Carillon Family of Funds (12 Portfolios).

1 Each Trustee serves for an indefinite term until his/her successor is elected and qualified or until his/her retirement, death, resignation or removal in accordance with the Trust's policies. Officers serve at the pleasure of the Board of Trustees.

2 A trustee is considered an "interested person" of the Trust as defined under the 1940 Act because of an ownership interest in the Advisor or an office held with the Trust or the Advisor.



Name, Year of Birth, Address and Position(s) Held with Trust	Term of Office and Length of Time Served <sup>1</sup>	Principal Occupation(s) During Past 5 Years	Other Trusteeships/ Directorships (number of portfolios) Held by Officer
<b>OFFICERS WHO ARE NOT TRUSTEES</b>			
<b>JOHN P. MCGOWAN</b> Born 1964 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Vice President and Secretary	Since 2005	Head of Fund Administration (since 2009), Chief Administrative Officer (2007–2008), Chief Operating Officer (2004–2007), Matthews (investment management); Vice President and Secretary (2013–2017), Matthews A Share Selections Fund, LLC (registered investment company); Director (since 2010), Matthews Asia Funds SICAV (Luxembourg) (investments); Director (2010–2020), Matthews Global Investors S.à r.l. (Luxembourg) (investment management); Director (since 2004), Matthews Asian Selections Funds, PLC (Ireland) (investments).	Director, Matthews Asian Selections Funds Plc (1 Portfolio); Director, Matthews Asia Funds SICAV (Luxembourg) (15 Portfolios).
<b>SHAI A. MALKA</b> Born 1973 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Treasurer	Since 2005	Vice President of Fund Accounting and Operations (since 2010), Senior Manager of Fund Accounting and Operations (2004–2009), Matthews (investment management); Treasurer (2013–2017), Matthews A Share Selections Fund, LLC (registered investment company).	None
<b>LISA NICOSIA</b> Born 1966 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Chief Compliance Officer and Anti-Money Laundering Officer	Since 2023	Chief Compliance Officer and Anti-Money Laundering Officer (since 2023), Matthews Asia Funds (registered investment company); Vice President (2014–2022), Goldman Sachs (investment management).	None
<b>J. DAVID KAST</b> Born 1966 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Vice President	Since 2018	Chief Compliance Officer and Anti-Money Laundering Officer (since 2018), Global Head of Risk and Compliance (since 2017), Matthews (investment management); Managing Director (2009–2017), Goldman Sachs (investment management).	None
<b>DEEPA DAMRE SMITH</b> Born 1975 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Vice President	Since 2022	General Counsel (since 2022), Matthews (investment management); Managing Director (2014–2022), Director (2009–2013), BlackRock (investment management); Principal (2004–2009), Barclays Global Investors (investment management).	None
<b>SEAN TAYLOR</b> Born 1967 Four Embarcadero Center Suite 550 San Francisco, CA 94111 Vice President	Since 2023	Portfolio Manager (since 2023), Matthews (investment management); Chief Investment Officer for APAC (2014–2023), Global Head of Emerging Markets (2014–2023), DWS Group (investment management); Head of Emerging Markets (2013–2023), Deutsche Asset and Wealth Management (investment management).	None

<sup>1</sup> Each Trustee serves for an indefinite term until his/her successor is elected and qualified or until his/her retirement, death, resignation or removal in accordance with the Trust's policies. Officers serve at the pleasure of the Board of Trustees.





# Matthews Asia Funds

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## INVESTMENT ADVISOR

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